Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges

Washington State Health Care Authority

Center for Consumer Information and Insurance Oversight
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Level 1 Grant Application
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The Washington State Health Care Authority (HCA) is applying for a Level One Establishment Grant from the Center for Consumer Information and Insurance Oversight to further its planning, development and design of the Washington State health insurance exchange. This funding would allow HCA to develop options and recommendations on policy decisions that will have a significant impact on the exchange. It would also provide funds to build a detailed and comprehensive operational plan to create a structured entity capable of meeting business functions of the exchange. A substantial portion of the requested funding would be used to develop an IT system that facilitates critical exchange functions, such as eligibility, enrollment, and information exchange among individuals, employers, insurance carriers, and state and federal government agencies.

The Affordable Care Act paved the way for nearly all Americans to have access to health insurance. The health insurance exchange provides an opportunity for the uninsured, individuals getting expensive private insurance and small businesses that have struggled to offer coverage in the past, to have access to affordable health insurance. Additionally, the availability of premium tax credits, reduced cost-sharing and expanded Medicaid coverage provides further security of affordable care.

The exchange will provide a consumer-friendly online portal to allow people to easily compare their health insurance choices, enroll in what works best for them, and have access to tax credits and cost-sharing subsidies to make their coverage more affordable. Washington State looks forward to working with CCIIO on developing this critical piece of health care reform.

The Washington State Health Care Authority administers four health care programs: Basic Health, Community Health Services, the Prescription Drug Program, and Public Employees Benefits Board (PEBB) that provide access to high-quality health care for more than 500,000 Washington residents. The Health Care Authority is currently merging with the Medicaid Purchasing Administration to streamline public and private insurance programs in the state.

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Project Narrative

A. Demonstration of Past Progress in Exchange Planning Core Areas

Background Research: Washington State currently has rich information on state-wide coverage and individual demographics. Federal exchange planning grants funds were needed to develop a Market Impact Analysis report on three key issues that could alter the structure of Washington State's health insurance markets: merging the individual and small group risk pools, redefining the small group market as 1-100 employees, or selecting the Federal Basic Health program. Additionally, the Office of Financial Management that conducts the Washington State Population Survey analyzed the 2010 survey by populations likely to go into the exchange and Medicaid to identify their insurance status, health status, and income levels. They are using that information for further analysis of other data sources.

Stakeholder Consultation: Grant funds supported a variety of stakeholder participation. An open stakeholder meeting was held in November 2010 and attended by representatives of consumers, employers, brokers and agents, health care providers, and insurers. The event was used to introduce and discuss the initial draft of Governor Gregoire's proposed legislation for a Washington State Health Benefit Exchange. Tribal representatives also attended and participated in the meeting. Essential guidance has been provided by the Joint Legislative Select Committee on Health Reform Implementation and the Insurance Commissioner's Health Care Reform Realization Committee. An introductory discussion was held with the Puget Sound Health Alliance – an organization of diverse participants who have aligned to promote health and improve the quality and affordability of health care services in the Puget Sound area. The leadership of the exchange's information technology project met with the Health Information Exchange project and interviewed Early Innovator Grant awardees in Oklahoma, Oregon, and Wisconsin.

State Legislative/Regulatory Actions: The planning grant provided the necessary background for the Governor to propose legislation that establishes an exchange. Bipartisan bills, Senate Bill 5445 and House Bill 1740, were introduced in the Washington State Senate and House. Before adjourning in late April 2011, the Legislature will likely establish an exchange, a governance structure, and responsibility or direction for establishing key policies for the exchange or the private insurance market.

Governance: Planning grant funds were used to develop issue brief #1, Goals and Value of a Health Benefit Exchange, and issue brief #2, Exchange Governance and Organizational Structure. The Governor and Legislature are discussing how different private-public governance structures could be established for Washington State before the current legislative session ends.

Program integration: The Washington State Health Care Authority is developing the exchange while merging with the Medicaid Purchasing Administration. The merging of the two organizations has assisted in the analysis of integrating the exchange, the possible federal Basic Health program, and Medicaid. Discussions on integrating eligibility and benefits have begun. Washington State has extensive experience coordinating eligibility between the state's Basic Health Plan and Medicaid/CHIP programs. The active implementation of a recent federal Basic Health Plan waiver provides the state with additional coordination experience that can be applied to our upcoming integration efforts. Issue brief #3 on the functions and responsibilities of an exchange and issue brief #4 on administering an exchange were supported by the planning grant and laid the necessary groundwork for further discussions on program integration.

Adverse selection continues to be the leading concern discussed with the Office of Insurance Commissioner regarding the development of the exchange. Options for reducing selection bias among individual and small group plans inside and outside of the exchange will continue to be discussed with the Office of Insurance Commissioner, as well as the possible influence of association health plans upon the private market. The report on Market Impact Analysis and issue brief #5 on keeping an exchange healthy provided the necessary analysis for further consideration of policies that could lessen or mitigate the impact of adverse selection in the Individual and Small Group markets

Exchange IT Systems: Washington State Health Care Authority recognized the importance of early coordination with other state entities from both a program and information technology standpoint for the exchange. As part of the IT Gap Analysis

assessment, HCA met with Medicaid eligibility policy specialists to understand the impact of ACA requirements on the Medicaid eligibility requirements for both the existing Medicaid population as well as the expansion population. Moving from the current Medicaid eligibility requirements to one based on Modified Adjusted Gross Income (MAGI) is a significant change that is currently being assessed against both the program and supporting IT systems.

HCA also met with the owners of the Washington Department of Social and Health Services' Automated Client Eligibility System (ACES), which is the state's eligibility determination system for both social and health service programs. Furthermore, recognizing that many of the clients who are eligible for Medicaid may also be eligible for other human services programs, HCA reviewed Washington Connection, a self-service portal where individuals and families can check their potential eligibility for social and health programs and submit applications.

HCA also reviewed the ProviderOne system, Washington State's Medicaid Management Information System (MMIS) system, to determine integration points with the exchange. These early review and coordination efforts have resulted in a better understanding of the existing IT infrastructure supporting these various programs; gaps that exist in these systems to be able to meet the requirements of the exchange; and potential integration options of the exchange solution with these existing systems. HCA is also initiating a separate workgroup with members of both the exchange project team and the Medicaid Policy Team to continue to work together on the integration between the exchange and Medicaid.

Washington Exchange IT System Readiness. Washington has recently implemented ProviderOne, the state's new MMIS system. From the inception of the project, ProviderOne was designed to align with the Medicaid Information Technology Architecture (MITA) recommendations. The system is service oriented, modular, agile, and aligns to the state's Medicaid business architecture. The state's Medicaid and CHIP eligibility system, ACES, was originally constructed in a mainframe environment, but is undergoing modernization as legacy elements are deprecated. These two systems, Washington's mature IT foundation, and other IT infrastructure systems will provide a stable foundation upon which an exchange can be built.

SOA / Enterprise Architecture Approach –Washington State is taking a Service Oriented Architecture (SOA) approach to design and implement the health insurance exchange. Part of the approach incorporates a tiered service design aligned with each of the architectural components of the exchange; the top tier encapsulating the business and functionality of each specific component. Cambria Solutions is performing the Information Technology Infrastructure Review and Assessment, funded through the federal planning grant, in support of a state-operated exchange.

Web Services and Standards -- The SOA approach does not necessarily translate to a mass implementation of web services, as just their implementation alone does not mandate a SOA approach; they are merely a SOA facilitator. An attractive element of enabling business functionality in a cohesive and loosely-coupled service is that it will address each high-level business need of the exchange and provide flexibility in implementation. The open standards that are supported by Washington (WS-*, SOAP, WSDL, XML, XSD, etc.) facilitate communication by heterogeneous systems by remaining platform agnostic in their implementation.

Enterprise Service Bus (ESB) -- Washington State has utilized components of an Enterprise Service Bus (ESB) as part of messaging framework implementations. An ESB addresses the challenge of implementing message exchanges between disparate systems by providing a hub that promotes communication between systems. Messages are routed through the ESB rather than having point to point communications between systems.

Universal Description Discovery and Integration (UDDI) -- Hand-in-hand with endpoint flexibility is the utilization of a service registry, an item that Washington State has plans to implement in the near future. The service registry will be open standard compliant with plans to implement it using Universal Description Discovery and Integration (UDDI). For example, an artifact of the Washington exchange is likely to be a streamlined eligibility service, which could potentially be consumed by other social service programs. Not only is this good SOA, it is a good approach to Enterprise Architecture.

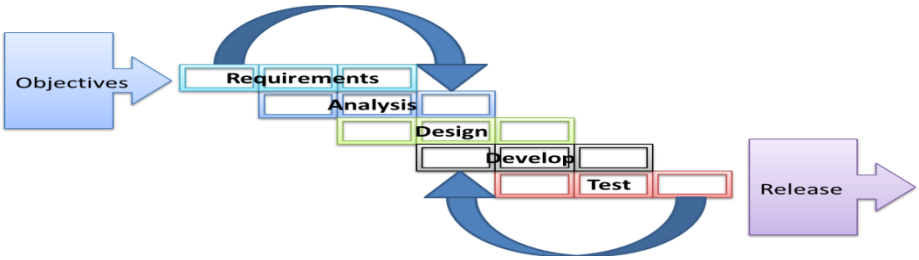
Business Rule Engine -- Part of Washington's SOA approach is to separate the business rule implementation from programming interfaces. Systematic decisions used during the workflow of the exchange will be defined as a structured set

of business rule policies and business objects. Each policy is a logical grouping of business rules to be implemented by the system, but defined separately from the system's workflow and code.

Implementation Approach -- To manage the implementation of the exchange, the project team will utilize an incremental software development process. Incremental software development methodologies utilize an iterative approach to accomplish tasks related to the software project. An iterative and incremental approach splits an overall project into several pieces that can be objectively measured. Each piece is called an iteration. Each iteration includes all common aspects of a software development project from planning, to requirements, analysis, design, implementation and through to testing. The project will use time boxing to measure and force the evaluation of progress.

Each iteration of the exchange is a focused effort that will provide clear, immediate, and measurable results. By coupling the incremental software development with an achievement oriented approach, the project will be grounded and accountable through objectively measuring each release to ensure they meet the requirements, and have been thoroughly tested. Each subsequent release has a limited scope that is controlled by focusing the efforts of the iteration.

The following diagram provides an overview of the incremental software development.



Exchange Security Approach -- Security of the Washington exchange will be of upmost importance as it adheres to the recommendations outlined by ONC, NIST, and HIPAA. Regarding security considerations of the exchange, no single software product or platform will ensure complete compliance with the security guidelines and HIPAA rules. Instead an enterprise wide approach must be taken, extending the enforcement from the computer systems out into the human process. The exchange implementation will embrace this approach and presents a tiered compliance platform. HIPAA and security compliance is targeted at each level of the implementation.

- Server Platforms
- Application Layers
- Graphical User Interface and Workflow
- Integration interfaces

Each tier of the system design relies on a different approach to reach the system's compliance goals.
As part of the Gap analysis, the state reviewed the Health Information Exchange (HIE), provided by OneHealthPort. A HIE is primarily used to electronically move clinical information between disparate health care information systems. Part of reviewing the extent that the state's HIE could be leveraged or included in the exchange was reviewing the security. One key finding was the process and approach for how the Washington HIE implemented its security. A key factor to consider is the security of the web services that the exchange will need to support. It is likely that web services could be a potential for communication between the HIE and the exchange, given that the two communicate. If it is decided that the two systems would not benefit from system to system communication, the security approach of the HIE could be followed for the security implementation of the exchange.

As part of the IT Gap Analysis, HCA reviewed the federal guidance and the provisions of the PPACA to determine the initial set of high level business requirements for the exchange. Furthermore, HCA reviewed the early innovator grant applications from Wisconsin, Oklahoma, and Oregon. HCA talked to these state's representatives to understand the factors that influenced the development of goals, milestones and timeframes for each function of the exchange. HCA further analyzed the gaps in the current IT systems to support the requirements of the exchange. They estimated the effort involved in building new systems and upgrading existing systems to meet the exchange IT requirements. HCA also reviewed the "Wisconsin Health Insurance Exchange 2010 Report - A Starting Point" that provided valuable insight on the major issues

and considerations that would impact the IT systems to support the exchange. They recognized that for the exchange to be operational by January of 2014, many of the exchange functions have to be up and running by July of 2013. For instance, for the exchange to be operational by January 2014, it is critical that the exchange begin certification of health plans in early 2013, requiring all IT systems supporting the certification process to be built in 2012 and ready by 2013. Similarly open enrollment for coverage may start as early as the fall of 2013 to allow ample time for enrollees to buy coverage. This would require that IT systems supporting the employer and coverage offered be available before open enrollment begins.

Financial Management: Washington State has recognized financial management as a key aspect of the operational plan of the exchange. The state needs the Establishment Grants to begin a detailed examination of financial management and reporting necessary to support an exchange. From a broader policy perspective, Washington State used planning grant funds to develop issue brief #6, which deals with containing the cost of health care services financed through private coverage.

Program Integrity: Management, oversight, and safeguards against preventing fraud, waste, and abuse have also been identified as key elements of a broad operational plan. Washington State has targeted the Establishment Grants to develop the policy and technical details of this essential area.

Health Insurance Market Reforms: The Office of Insurance Commissioner has led the implementation of these reform-related provisions in Washington State: establishing minimum loss ratio; removal of pre-existing conditions exclusions for children under the age of 19; removal of lifetime maximums; implementation of the pre-existing condition pool; dependent coverage until age 26; mandated coverage for preventive services; mandated emergency services; and internal and external review processes for coverage and claims. Legislation is now being considered by the Washington State Legislature to update state laws for most of these provisions.

Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints: To date, Washington State has met with consumer advocates and other stakeholders knowledgeable about the valuable roles producers and navigators can play in an exchange. The state has also begun to evaluate the valuable lessons that can be learned from the Health Insurance Partnership (HIP) program, which acts as a small business exchange. Those discussions have helped us determine the necessity and scope of this initial review.

Business Operations/ Exchange Functions: This grant application is targeting the detailed development of business operations and exchange functions through the development of a work plan and specifications for information technology. Our analysis of exchange policies, supported by the federal planning grant, has laid the groundwork for Washington State to now delve into operational details. For example, policy specifications for eligibility and enrollment, and the administration of free choice vouchers and subsidies, can be found in issue briefs #3 and #4. Similarly, risk adjustment and reinsurance were explored in issue brief #7.

B. Proposal to Meet Program Requirements

Washington State is moving thoughtfully, yet quickly, ahead to develop its state-based exchange. Based on our activities to date, we have been creating a detailed work plan and schedule for ensuring we have a fully functional exchange ready by January 1, 2014, along with meeting HHS' requirements and milestones through the process.

To reach our exchange goals, we are proposing the following activities that mirror the milestones under each Core Area laid out by HHS. The following description runs through 2014, although Washington State is only seeking funding for one year. Therefore, our work plan and activities will likely need to be altered as we progress and anticipate previously unforeseen issues and challenges, as well as react to HHS' release of guidance and rules that will affect the exchange's development.

Background Research

While Washington State has been conducting a substantial amount of background research with the planning grant, there are some areas where we would like to continue to understand the population that will interact with the exchange and the market environment that will result from various decisions around the exchange.

Data Analysis: Washington State is receiving State Health Access Grant Program (SHAP) funding through the Health Resources and Services Administration (HRSA) to support our Health Insurance Partnership (HIP) program that acts as a small business exchange. In addition, the funding is providing support for analysis of Washington-specific data. Specifically, the money will provide for the modeling of Medical Expenditure Panel Survey (MEPS) data to portray the Washington State landscape. That data, along with Washington's state survey data, will then be used to understand the medical needs of the population likely to enter both Medicaid and the exchange. This will be further analyzed to recognize any areas of service utilization that may be anticipated to be higher and may require a provider capacity assessment, such as in the area of mental/behavioral health services. The data will allow for policy recommendations to mitigate any potential issues as the exchange becomes operational.

Federal Basic Health Option: Washington State is in the unique position that they currently operate a Basic Health program. However, with the current dire budget situation, the program has been cut substantially. While the state received a federal waiver to receive matching funds for a previously state-only funded program, the future of the Basic Health program remains unclear. As a result, it is unknown whether Washington State will choose the federal Basic Health option.

The state is proposing to use grant funding to produce an issue brief on the advantages and disadvantages of implementing the federal option, as well as the feasibility of using the existing program in 2014. Whether the federal option will be utilized in 2014 is a decision that will be made by the Governor and the Legislature. However, we would like to help inform their decision-making by hiring a consultant, Amy Lischko, to write an unbiased brief on the considerations in Washington State. The brief will address whether implementing the federal option is the best approach for the state, the administrative costs of running the program, and whether combining the program with Medicaid or the exchange would be best for the state. The brief would also analyze cost sharing in Basic Health, and how that may affect the federal Basic Health program and exchange subsidies.

The brief will be written during the summer of 2011 and will then be presented to the exchange's technical advisory committee (TAC). The brief would incorporate any additional issues the TAC felt were necessary before the brief is presented to the exchange board. The brief would be used to inform the recommendations that the board would then present to the Governor and the Legislature in the report to be delivered by December 1, 2011.

If the Governor and the Legislature agree to implement the federal Basic Health Option, the state will develop an operational plan to ensure the program is appropriately designed and coordinated with Medicaid and the exchange. Other decisions, such as whether the program is housed in the exchange or whether the Basic Health risk pool is combined with the Medicaid risk pool will need to be decided and will have substantial effects on the implementation plan.

Stakeholder Consultation

Developing a strong relationship with stakeholders is a vital component of a successful exchange. We have been building communications with stakeholders throughout the planning process, and we will continue to do so as we are moving into the development and design phase of the exchange. Washington State understands the critical nature of building an exchange that focuses on the needs of individuals and small businesses, as well as creating an environment that is desirable for insurance carriers, providers and brokers. We are proposing using establishment grant funding to continue to build a structure that welcomes the feedback of various stakeholders.

Continued Meetings with Stakeholders: The state has been meeting with various stakeholders since last fall, including holding several one-on-one meetings with insurance carriers, hospital groups, doctor groups, employers, consumer advocates, brokers, veterans groups, Tribes, and others. We will continue to meet with these groups as part of our planning and design processes. We use a series of questions to facilitate the discussions, some of which are targeted at specific groups, while others are broader inquiries on exchange functions. We have found the meetings to be useful and informative to understand the opinions and biggest concerns for stakeholders.

We are proposing to hold another round of these meetings after the state's legislation is passed to discuss the next steps represented by the new exchange law, as well as the approach this grant is taking. The stakeholders have already helped to inform this application and our proposed application. We would like to continue to use their feedback to help us going forward.

Tribal Interactions: Washington State has a strong relationship with the 29 federally-recognized Tribes in the state. We are proposing to maintain this strong relationship going forward with the development of the exchange, primarily through the American Indian Health Commission (AIHC), a Washington State organization that represents the 29 Tribes on health issues. We will contract with AIHC to prepare an impact analysis on the effects of the exchange on the Tribes, their health care systems, and participation in the exchange. This will provide the Tribes with a comprehensive view of the interaction between the exchange and American Indians. It gives the state the ability to define the actions that will need to take place to ensure the Tribes have easy access to the exchange.

Washington State is fortunate to have secured the transitional bridge waiver to receive federal matching funds for our Basic Health program. As part of that waiver, we have the opportunity to use that program as a demonstration to prepare for the transition to 2014. One of the requirements for the waiver is to identify a process for defining documentation for an American Indian/Native American individual. This definition will be needed for those AI/NAs coming into the exchange, and this gives us the opportunity to address this earlier than perhaps we might have otherwise. We will work closely with our partners in Medicaid and AIHC, who have together developed a work group to address the definitions. This will ensure the definitions and processes will work for the exchange moving forward.

In addition, Washington State is planning on engaging in formal Consultation with the 29 Tribes. This will provide us with feedback from the leaders of the Tribes and demonstrate our commitment to working together to ensure the exchange works for American Indians.

We will also send any documents, materials or updates on the exchange to the 29 Tribes to ensure they are receiving information directly from the state, as well as from AIHC. We feel this multi-faceted approach addresses both the formal Consultation process, while also interacting on a more detailed level to ensure the Tribes are part of the exchange development process.

Public Stakeholder Meetings: In addition to one-on-one meetings with various stakeholders, Washington State plans on holding a series of public "town hall" style meetings across the state to discuss what has been done to date around the exchange, as well as future development. The meetings, to be held throughout the summer of 2011, will help educate the public about the exchange and how it might assist individuals and small businesses in finding health insurance. The discussions will also solicit public input on the exchange and the functions that people feel strongly should be included. These meetings will help shape the development and design process going forward.

Legislative/Regulatory Action

While the Washington State legislature is still in session and negotiations over the exchange legislation are in progress, there is a bill that has passed out of each chamber that provides the exchange with useful direction through limited authority. We will continue to work with the legislators on the bills. It is likely that additional legislation will be required during the 2012 session, and potentially during the 2013 session, and we will coordinate with the legislature to draft legislation when necessary. Future bills will address additional duties and responsibilities and establish legal authority necessary to establish and operate an exchange.

Governance

As mentioned above, there is currently limited enabling legislation moving through the legislature. The exchange entity could be established as early as September 2011 or as late as July 2012 (depending on which bill gets final passage). At that time, the Governor will appoint seven exchange board members (two of which will be from a list submitted by the legislature). The additional members of the board are the Administrator of the Health Care Authority and the Insurance Commissioner or his designee (as a non-voting, ex-officio member). The exchange entity will be created as a quasi-governmental authority at that time. Once established, the board will establish by-laws, ensure transparency and accountability of the entity, and hire an executive director and other staff members of the exchange. Until the exchange is established, HCA will continue to provide leadership in developing the exchange.

Exchange IT Systems
The state has the experience, resources, and capabilities to close the gaps that were and will continue to be identified in the IT Gap Analysis and meet the program requirements as identified in the latest federal guidance. The state is continuing to further galvanize the IT Gap Analysis and has assertive plans to develop early requirements in parallel with this and to leverage other state's requirements (particularly Wisconsin's). The state's successes and commitment to affordable quality care, supplemented by a very solid IT foundation, mature development processes, and commitment to collaborate and leverage applicable solution components from early innovator states will help lead the design, development and implementation of a state-of-the-art health insurance exchange.

Project Management Office: To meet the program requirements of the exchange, it is critical that the state establish and meet all design, development and implementation milestones. Based on the state's experience with large system implementations, the plan is to establish a Project Management Office (PMO) that will be dedicated to managing the overall system implementation of the exchange. The PMO will use best practices, templates, and standards from Washington State's Department of Information Services (DIS) Project Management Framework throughout the project lifecycle (from inception through closure and eventual maintenance and operations). The state also has a well defined issue management and escalation process that will be critical to implementing the exchange on schedule. The state's experience with implementing and transferring large-scale technologies will facilitate early identification and immediate mitigation of risks and issues.

IT Governance and Technical Competence: The state maintains clearly defined processes for IT and data governance. With any program there are a number of governance structures that are required to maintain the course of the initiative and to ensure proper scope, cost, and delivery management. With respect to this, the state will coordinate with the Information Services Board (ISB) that was created by the State Legislature in 1987 and given authority for policy development, strategic IT planning, oversight of executive branch agencies' IT projects, and delegating authority to agencies for IT investments. The state will adhere to and develop IT and data governance processes that have proven successful with other large-scale development efforts.

There are initiatives currently under consideration eliminate the ISB and should that be the case, the state will defer to any newly formed oversight group or, collaborate to create an IT governance structure that aligns and integrates with the overall exchange program management structure. This group will be responsible for confirming that best practice standards are being followed and that the technical and data standards being implemented to ensure longer-term flexibility, sustainability, and ease of data exchange. This group will also be the highest level of oversight for technical change control. This structure will provide an additional layer of risk and scope management during the design and delivery of the exchange.

The state's experience in developing and implementing systems such as ProviderOne, ACES, and Washington Connection have developed a foundation from which to launch the development of the exchange. Washington will rely on its well-defined SDLC to develop its vision of a technical architecture – a set of loosely integrated applications and services that are standards-based, flexible, and scalable. The state will load the services definitions/descriptions, interfaces, policies in a web services registry to support data requests and role-based access to the underlying data.

The following describes each SDLC phase and associated deliverables at a high level. These documents will be prepared in accordance with work plan and will support the required CCIIO reviews: Project Start-Up Review, Architecture Review, Project Baseline Review, Preliminary Design Review, Detailed Design Review, Final Detailed Design Review, Pre-Operational Readiness Review, and Operational Readiness Review.

SDLC Phases

Phase	Description	Deliverables
Initiation	Begin project planning, define the high level vision, secure key project resources, identify key stakeholders, and complete the initial risk assessment.	Concept of Operations Alternative Analysis Risk Analysis
Planning	Work with identified stakeholders to confirm scope and schedule, resources and budget, establish the Project Management Office and IT governance structure, develop the project charter, develop the	Project Process Agreement (Charter) Project Plan

Phase	Description	Deliverables
	detailed project and release plan and create the high level contingency plan.	Project Schedule Scope Definition Performance Measures Risk Analysis Release Plan, Information Security Risk Assessment Contingency Plan
Requirements Gathering and Validation	Conduct the project kick off with stakeholders, identify key resources to develop business requirements, review requirements documents from early innovator states and develop initial set of requirements, validate and refine high level initial business and system requirements including functional, non-functional, interface and data conversion requirements, develop to-be business process models, analyze requirements for complexity, risk, impact and prioritize requirements for various releases, refine solution options and determine best solution to implement requirements or set of requirements.	Detailed Requirements Document Business Process Models Architectural Diagrams Acquisition Strategy
High Level Design	Complete high level documents containing assumptions, questions, statistics, page flows, storyboards, screenshots, and other supplemental guides to help uncover requirements that may have been previously hidden or misunderstood; develop security architecture, develop data model and data architecture, define and escalate items that may impact other departments or systems across the enterprise; and produce the required business process and functional designs.	System Security Plan Test Plan Traceability Matrix Logical Data Model Data Use Agreement(s) Technical Architecture Diagrams
Detailed Design	Create detailed documentation that describe a process at a technical enough level for a programmer to use; develop requirements traceability mapping to validate that the business and system requirements have been thoroughly translated into a detailed design; and conduct a walk-through of the detailed design with key stakeholders to ensure needs are met and input was considered.	System Design Documents (including use cases) Business Logic Diagrams Detailed User Views Interface Control Documents Database Design Documents Physical Data Model Data Management Plan Data Conversion Plan

Overview and integration with existing state Medicaid systems: The state is planning to have a fully integrated exchange hub, which has the ability to connect to a variety of systems including existing state systems, and yet-to-be-defined federal interfaces. The system is going to take advantage of the open standard interfaces that have already been developed. A guiding principle of the approach to the exchange is to leverage lessons learned and experience earned while implementing current systems using a SOA approach founded in Enterprise Architecture principles.

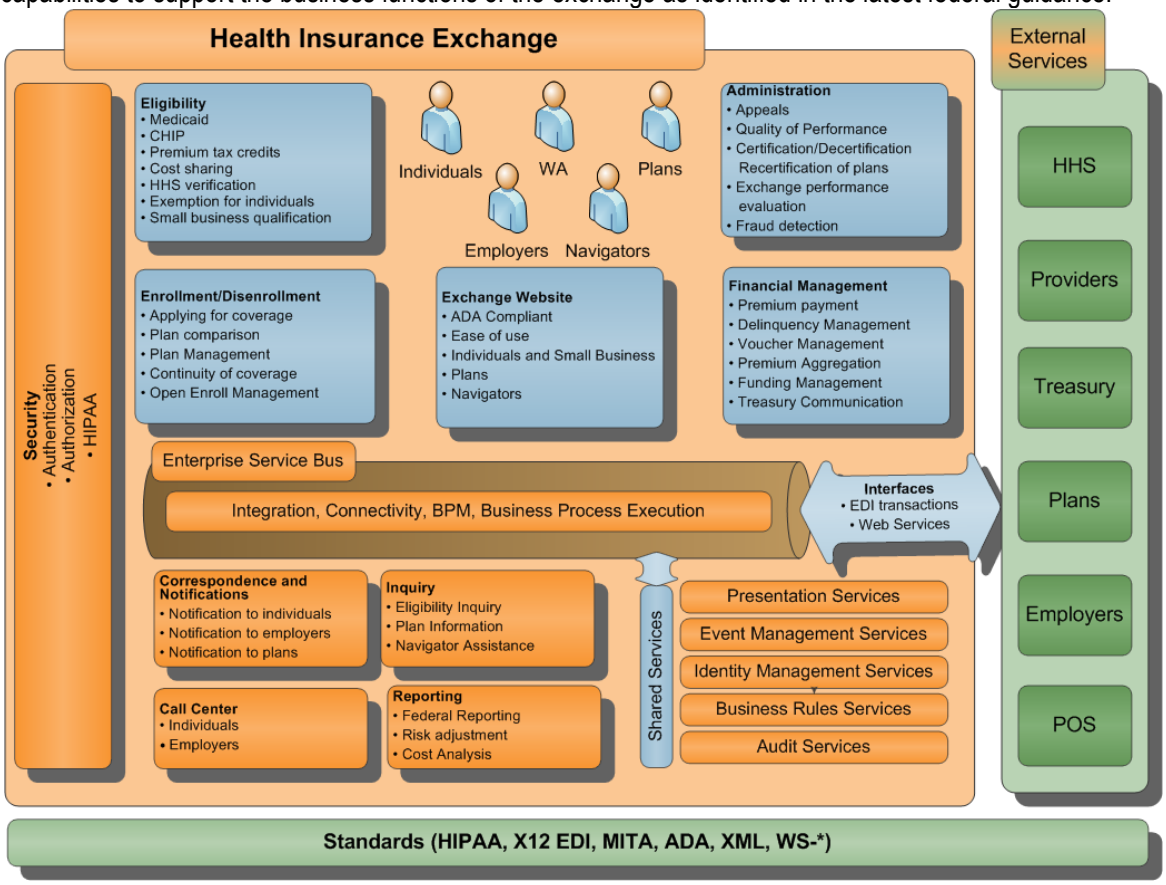
The state has at least two current systems that it plans to integrate with when the exchange has been implemented. One is the current eligibility system ACES, the other is ProviderOne. Both systems have open interfaces that promote interoperability and system to system communication, facilitated by an Enterprise Service Bus and web services. Washington foresees the majority of the eligibility determination components for Medicaid to be deprecated in the ACES system while the new rules are established and ported over into a business rule engine to support a seamless eligibility determination system for the exchange. The exchange may also need to integrate with Washington Connection, the existing state portal that enables citizens to submit online applications for Medicaid.

It is planned that the exchange will also integrate with the current ProviderOne system. The extent of integration with ProviderOne is still being determined with the state planning to make a comprehensive decision later this year. ProviderOne generates and has interfaces that either consume or publish HIPAA transactions that the exchange will also utilize (820,

834, 270/271, etc.). There is an opportunity for the exchange to leverage the in-development Statewide Client data hub, a project of the Department of Social and Health Services that will provide a unique identifier for all individuals applying for health and other social service programs.

Leveraging models from Early Innovator States: The state realizes it is not unique in approaching the exchange and has plans to review and analyze the artifacts and systems that come out of the Early Innovator states, namely Wisconsin, Oregon, and Oklahoma. Since Washington is taking a modular approach to the construction of the exchange, it will be able to leverage design patterns and solution components as they are developed and become available from the Early Innovator Exchanges. Washington understands that all exchanges will not be the same, functionally or technically, which is why the state will review best fit components with a possibility of adopting those components into the exchange. A critical element of the evaluation includes the extent to which the solution components from other states are isolated and loosely coupled and the ease of integration with existing systems and other exchange components for the state.

Conceptual Solution Overview: The following graphic provides a conceptual overview of Washington's target solution for the exchange. It is comprised of nine functional components and three non-functional components that together will provide the capabilities to support the business functions of the exchange as identified in the latest federal guidance.



Component	Functions and capabilities
FUNCTIONAL	
Eligibility	• Determine eligibility for tax credits • Determine eligibility for reduced cost sharing • Determine eligibility for Medicaid (both initial and ongoing eligibility) • Verify eligibility requirements with HHS and other state third party data sources • Determine eligibility for exemption for individuals • Determine eligibility for qualification as a small business

Component	Functions and capabilities
Enrollment / Disenrollment	• Enable individuals to apply for coverage • Rank and compare plans based on individual preferences • Calculate premiums and out of pocket expenses • Select and enroll in plans • Complete annual enrollment • Manage continuity of coverage • Manage disenrollment from plans
Exchange Website	• Ease of use and ADA compliant • Verify identity for individuals • Enable plans to manage benefits and submit products for certification/selection • Enable plans to provide provider network, quality, and pricing data • Enable plans to receive enrollment and network selection data and premium payments • Set up accounts for employers and select plans by tiers and apply contributions • Facilitate enrollment by employers for employees or enroll them directly • Enable employers to pay premiums, track employer tax credits, and apply free vouchers • Enable navigators and brokers to assist individuals, complete annual enrollment and annual renewals
Financial Management	• Execute premium payment and minimum medical loss ratio rebate processing and tracking • Process premium payments from individuals and send them to health plans • Apply advance premium tax credits to premium calculations • Track currency/delinquency, tax credit administration, cost-sharing administration, and data exchanges with other state and federal systems • Track and apply free choice vouchers to premium calculations • Manage premium aggregation • Manage funding
Administration	• Track and enforce the resolution of individual complaints, appeals, and grievances • Track and resolve employer appeals and grievances for employer liability of payment • Track the ratings and performance of the health plans participating in the exchange • Manage the process of plan certification, recertification and decertification • Manage the quality rating of plans • Manage the quality of the user experience • Manage the performance of the exchange • Fraud detection
Correspondences and Notifications	• Notify individual of eligibility for Medicaid, CHIP, premium tax credits and cost sharing • Notify individual of appeal decisions • Notify employers of employees eligibility for advanced premium tax credit where employer does not provide minimum essential coverage or coverage is not affordable • Notify individuals and plans of premium, tax credits, plan rating, certification status
Call Center	• Enable individual service via call center • Enable employer specific service via call center • Enable specific service to navigators and brokers via call center • Provide individual service via online help, chat, that is integrated with call center • Provide employer service via online help, chat, that is integrated with call center • Provide specific service to navigators and brokers via online help, chat, that is integrated with call center
Inquiry	• Enable individual inquiry on information such as eligibility, plans, premiums, tax credits, appeal status, primary care provider • Enable plan inquiry on information such as plan rating, premium information, tax credit, free choice voucher status

Component	Functions and capabilities
	• Enable employer inquiry on information such as employer appeal status, annual enrollment period, premium payment amounts • Enable navigator inquiry on plans
Reporting	• Perform mandatory reporting for state and federal agencies • Enable additional analytical reporting agencies through the data warehouse, as appropriate • Support risk adjustment analysis via data received from health plans • Support cost analysis
NON-FUNCTIONAL	
Security	• Enable authentication and authorization • Enable protection of PHI and PII • Compliance with HIPAA
Interfaces	• EDI Transactions including HIPAA 270/271 for determining if individual has coverage through a health insurance program, HIPAA 834 to transmit enrollment information to plans, HIPAA 820 to transmit premium information • Web Services for verification with federal and other state third party data sources
Standards	• Conformance to standards including HIPAA, X12 EDI, ADA, XML, National Information Exchange Model, WS-*

Applicable Standards: Washington employs multiple technology and security standards in developing system solutions for its health care programs. These standards have been established to improve usability, accessibility, transparency, data security, customer privacy, and consistency in integrating with other systems. Washington's approach to applicable standards is described below:

1561 Recommendations – The state is committed to continuing to implement the 1561 recommendations for health services eligibility and enrollment processes to:

- Create a transparent, understandable and user-friendly online process that enables consumers to make informed decisions about applying for and managing benefits
- Provide a range of user capabilities, languages and access considerations
- Offer seamless integration between private and public insurance options
- Enable a consistent and transparent exchange of data elements between multiple data users (e.g. NIEM standards)
- Integrate with other health and human services programs
- Maintain strong privacy and security protections

The state already follows 1561 recommended guidelines for its ProviderOne and ACES systems. Washington will continue to identify gaps and adopt the new standards as systems are developed and existing applications are enhanced.

HIPAA - Maintaining application security is important to protect the sensitive information that is collected, processed, and stored in the exchange. Washington systems are HIPAA compliant for Medicaid and state administered health care programs. Washington ProviderOne is HIPAA privacy, security, and 834, 820, 270/271 transaction compliant. While new systems are developed and existing systems are enhanced, the state will continue to work to ensure that its systems are HIPAA compliant.

Accessibility – It is a federal mandate that public-facing websites must minimize technical and usability barriers for individuals with disabilities. Washington's exchange solution will be ADA/Section 508/Section 504 compliant and follow the W3C Web Content Accessibility Guidelines (WCAG). The state will institute a process that will assess conformance of the solution during its design and development to the accessibility standards.

Security – Washington understands that security is extremely important when dealing with confidential information related to health care programs. The state employs multiple layers of security in its systems for maintaining compliance and protecting data like personal health information (PHI) and personal identifying information (PII). Washington understands the Federal Fair Information Practices (FIP) guidelines for collecting data, maintaining data integrity and quality, and providing transparency regarding data access and use.

Washington has extensive experience providing detailed security procedures on its systems. The state maintains secure systems and secure interfaces between ACES and ProviderOne systems. Any new components that are built or leveraged from other states will have security as a key component and the state will give the highest priority to the security of consumer data and will adhere to the fair information practices.

Federal Information Processing Standards (FIPS) – Washington understands the federal guidelines that help achieve secure information systems, these include:

- Facilitating a more consistent, comparable, and repeatable approach for selecting and specifying security controls for information systems
- Providing a recommendation for minimum security controls for information systems categorized in accordance with Federal Information Processing Standards (FIPS) 199
- Standards for Security Categorization of Federal Information and Information Systems
- Promoting a dynamic, extensible catalog of security controls for information systems to meet the demands of changing requirements and technologies
- Creating a foundation for the development of assessment methods and procedures for determining security control effectiveness. Confirming systems information processing standards are consistent with the FIPS guidelines
- Instituting a process to identify gaps and prioritize enhancements to meet the standard requirements.

Advanced Planning Documents (APD): There are no current APDs drafted to address MMIS-related changes as a result of Medicaid changes. Washington State anticipates it will need to conduct analyses on MMIS-related changes as a result of any Medicaid changes. We know Medicaid eligibility simplification changes are coming and we will be submitting a planning APD to Centers for Medicaid and Medicare Services (CMS) when we know more about the changes and impacts. Washington State does have a clear understanding and appreciation of the differences in funding streams and monies.

Project Assumptions:

- Pre-planning, requirements analysis, and early development of various policy and program scenarios is a critical success factor and is required in order to quickly respond to Feds "key updates" and implement them "in an Agile and expeditious manner". Washington will use a "Early Requirements Development Facilitation" consultancy to investigate, analyze and pursue leveraging and applying Early Innovator state's requirements (specifically Wisconsin who's shown to be one of the more mature in development).
- The sense is we may eventually need to wait for the notice of proposed rulemaking that is expected in June to determine if certain functions and logic needs to be maintained in ACES or, outside ACES as it relates to Medicaid eligibility for existing and new eligibles.
- The exchange would also have to perform the eligibility rules and cost-sharing functions (real-time). If the Feds truly simplify Medicaid rules, and the state does not have a reason to collect a lot of data, then the exchange could implement the functionality by pulling information out of ACES. [Note: This would have to be addressed via a separate APD with ACES, and not through or with the exchange.]

Program Integration

Washington State is pursuing partnerships in developing the exchange across the Medicaid program; the Office of the Insurance Commissioner, an independently elected office; the HIT Coordinator; and with existing IT systems within the state.

Integration with Medicaid: Due to many of the shared functions the exchange will have with Medicaid, a shared development approach, particularly around eligibility systems, will be a necessity for the exchange to meet federal requirements. Washington State is currently merging the Health Care Authority and the Medicaid Purchasing Agency into one agency. As a result, there is agency leadership overlap – Doug Porter, the state's Medicaid director and administrator of the Medicaid Purchasing Agency (MPA), is also the administrator of the Health Care Authority. Additionally, Richard

Onizuka oversees the policy departments for both HCA and MPA, allowing for greater coordination on policy and waiver processes. This encourages greater coordination that allows the two agencies to work closely together.

We have been having regular meetings with Medicaid officials, but a more organized, coordinated approach on the exchange and Medicaid expansion is necessary. The state is creating an internal working group of Medicaid and exchange officials to better define the roles and responsibilities of each group, identify who leads particular activities, and address any challenges on overlapping issues. The work group will create options and recommendations on resource assessments, policy decisions, and operating procedures. They will also ensure that funding streams are appropriately allocated between the two programs, particularly between:

- Eligibility determination, verification and enrollment;
- Strategies for compliance with the "no wrong door" policy;
- Benefits;
- Medicaid managed care; and
- IT systems.

The recommendations would be presented to the TAC and the board for consideration. These issues would be included in the report to the Governor and Legislature scheduled to be delivered in December 2011.

Transition Bridge Waiver. As mentioned previously, Washington State received a waiver to secure federal matching funds for the state's Basic Health program. As a result, the state will meet federal requirements, which mirror some of the interaction that will take place between Medicaid and the exchange in 2014. The exchange staff will work with the Medicaid staff working on the waiver to treat the waiver as a demonstration project for the exchange. This will be valuable in considering the future roles and responsibilities, as well as program coordination, for 2014.

Integration with the Office of the Insurance Commissioner (OIC): Washington State has an independently elected insurance commissioner, which makes additional communication with the OIC more important in the development of the exchange. Exchange staff at HCA have been working closely with the staff person at the OIC who has been assigned to the exchange. We have been meeting regularly to discuss status updates on exchange planning, as well as insurance reform development. We have discussed coordinating our work around roles and responsibilities of the exchange and OIC for qualified health plans (QHPs) inside and outside of the exchange, and limiting adverse selection between the exchange and the outside market, as well as among QHPs inside the exchange.

Working with OIC, we will develop policy options to address these issues and determine the lead agency for each topic. The options will be presented to the exchange board and the Insurance Commissioner. They will then make recommendations and will present them to the Governor and the Legislature in the report that will be delivered in December 2011.

Sharing Information between OIC and the Exchange. Because OIC and the exchange will be working with insurance carriers on related, yet distinct functions, it will be important that information is shared between the two entities. It will also be crucial to understand the OIC's approach to insurance regulations for the individual and small group markets that are required by ACA to be in place by January 1, 2014, such as guarantee issue, the elimination of medical underwriting, and rating bands. The overall market status will have an impact on the exchange, so having information on these issues will be critical.

The exchange will work with the OIC to ensure that all plans bidding to become QHPs have met OIC's regulations on rate review, state licensure, solvency, market conduct, and financial stability of insurance companies. Additionally, it will be important for the exchange to coordinate information with the OIC on certification processes, quality information, premium pricing; and performance measurement information.

Relationship with HIT Coordinator: We are fortunate in Washington State that the health IT work is also being run out of the Health Care Authority. The HIT and exchange projects have the same project sponsor, Richard Onizuka. Therefore, there is constant coordination, and Dr. Onizuka often approaches the issues in a synchronized manner.

Financial Management
As an independent entity, the exchange will be responsible for not only managing federal grant funds, but also its own sustainability starting in 2015. Thus, it is critical that the exchange develop a financial management system that offers integrity and a thoughtful and detailed approach to maintaining credible spending and revenue streams.

Adhere to HHS Financial Management Activities: As required by federal regulations, HCA is required to have adequate financial management systems and provide efficient and effective accountability and control of all property, funds, and assets related grants and cooperative agreements with the federal government. The following indicate the accounting standards HCA has in place that are considered basic to adequate financial management.

Accounting:

- Project accounting records have been established to record the costs applicable to the federal grant/cooperative agreement and other direct activities.
- All costs of a project are posted to these records and are used as the basis for vouchers and Financial Status Reports submitted to the federal awarding Agency.
- Before posting, costs are reviewed for reasonableness, allowability, and allocability to the project.
- Project accounts are broken into subaccounts by program element.
- Appropriate documentation is maintained to support the costs of:
  a) Personnel.
  b) Travel.
  c) Fringe benefits.
  d) Purchases of material, supplies, and equipment.
  e) Consultants.
  f) Other costs.
- Costs posted in these records are reflected with control accounts contained in the general ledger.
- Accounting records subjected to an independent audit at least every two years.
- Personnel and/or payroll records support the time and attendance, leave, and earnings for all employees.
- Time distribution records are maintained to show the amount of time spent on each project covered under the agreement, as well as time spent on other projects.
- There are controls to assure that personnel costs are distributed in accordance with the time distribution records.
- There are established procedures to govern the charts of personnel time related to HCA's partners.
- There are formal procedures regarding retirement plans.

Travel:

- There are established policies to govern reimbursement for travel.
- These policies require travel vouchers to be submitted which:
  a) show the time and purpose of the travel.
  b) clearly indicate the nature of expenses being claimed.
  c) require the submission of supporting documentation.

Procurement:

- There are established procedures to assure that the professional services, equipment, material, and/or supplies requested are needed.
- Existing supplies or inventories are reviewed to assure that requested items are not already available.
- There are procedures to assure that the type of contract utilized is appropriate for the procurement being undertaken.
- There are controls to assure that types of contracts unacceptable to the federal government are not utilized.
- Minority and Women Owned Businesses are included in solicitations.
- Solicitations are obtained from several sources to assure that the most qualified party is selected.
- Quotations are reviewed to assure that the proposed price is reasonable to the contractor, the recipient, and the Health Care Authority.
- Internal controls are utilized to assure that contracts contain all required clauses for:

a) access to records.
b) ownership of data.
c) termination.
d) applicable cost principles.
e) defective pricing.

Obligations:

- There are procedures to assure that reported obligations are supported by purchase orders, contracts, etc.
- These procedures require that obligations are periodically reviewed with regard to their validity.
- These procedures require the timely liquidations of obligations.

Indirect Costs:
The Washington State Health Care Authority does not have an indirect cost rate agreement at this time.

The HCA is currently developing bridge policies to marry the state's existing financial oversight policies with those required by the federal government. As the exchange continues to evolve into an independent state entity, these financial policies will continue to be enforced, but the exchange, itself, instead of HCA, will be responsible for the financial management of grant funding.

Develop a Financial Management Structure: As part of the operational plan that will be developed (and is discussed in the business function portion of the application) by Wakely Consulting, an analysis of the existing state resources, financial management needs, and gaps in current structures will be performed. That information will help to develop a financial model that will project exchange revenue and expenses over five years, recommended levels of funding required to make the exchange self-sustaining by January 2015, and the estimated resources required for the first five years of operation.

The financial model will be vetted by the TAC and the exchange board before being implemented. As part of the financial model implementation, the exchange will also assess the adequacy of accounting and financial reporting systems and demonstrate the capability to manage the finances of the exchange, including the ability to publish all expenses, receivables, and expenditures consistent with federal requirements. This information will be publicly available on the exchange's website.

Sustainability: Because the exchange must be operating independently and with its own source of funding by January 1, 2015, it will be important for the exchange to identify the potential operational costs for the exchange, assessments that could be used, and the most feasible options for the state. This will be examined as part of the operational plan. When the options are available, the sustainability plan will be presented to the TAC and the board for their recommendation. The board's preferred recommendation will be presented in the report to the Governor and the Legislature for legislative action in 2012 or 2013.

Once the assessment(s) have been implemented, the exchange will ensure proper collection, use and disbursement of the funds in the exchange. The board will annually review the assessment and adjust it as needed to account for the appropriate funding level to operate the exchange.

Oversight and Program Integrity
It will be necessary for the exchange to combat waste, fraud and abuse within its financial management system, as well as within the processing of data, information and funds that flow through the exchange. Thus, setting up oversight and program integrity functions will be critical for a properly functioning exchange.

Ensure the prevention of waste, fraud and abuse: As previously mentioned, the state financial policies already in place ensure the proper use of state and federal funds. The federal grants and budget specialist in HCA is currently developing agency policies specific to bridging the differences between state requirements of funds and those requirements laid out by the federal government. As a part of those requirements, the state will also develop appropriate procedures to meet HHS' audit requirements.

Implement Oversight and Program Integrity Functions: As part of the operational plan, Wakely Consulting will assess existing programs, develop plan processes, and create a hiring plan for oversight and program integrity functions. They will also establish procedures for an independent, external audit, fraud detection, and reporting to HHS on efforts to prevent waste, fraud and abuse. These functions will be presented to the TAC and the board for approval.

Health Insurance Market Reforms

There are many components of ACA that work simultaneously to strengthen the role of the exchange. Many of the insurance market reforms that will take effect in 2014 will apply to the individual and small group markets inside and outside of the exchange. However, there are other areas where insurance market changes may strength the exchange.

Preventing Adverse Selection: While there are several mechanisms in ACA that will assist in leveling the playing field across the markets, there are additional regulations necessary to ensure that coverage is equal inside and outside of the exchange. In partnership with the Office of the Insurance Commissioner, we will outline potential options to further mitigate adverse selection inside and outside of the exchange, as well as among the plans participating in the exchange. This would include a discussion of the size of the potential market, offering the same plans inside and outside the exchange, disincentives for small businesses to self-insure, the combined impact of the three risk-leveling methods, among others.

This report will be presented to the TAC for comments and revisions. It will then be presented to the exchange board and the Insurance Commissioner. They would offer their recommendations to the Governor and the Legislature for their consideration to enact a law to further level the market inside and outside of the exchange in the 2012 legislative session.

Risk Leveling Methods: In order to better understand the three risk leveling mechanisms, Washington State will engage with Deborah Chollet at Mathematica Policy Inc. to development an overview brief on the three risk adjustment mechanisms and how they will work and interact with each other. The brief will also consider options for using the state's high risk pool, the Washington State Health Insurance Pool (WSHIP), as a reinsurance mechanism. This brief informs the discussion of the options for implementing the state-based risk leveling features. It is likely that federal guidance will be available to further define the parameters of the risk leveling methods. This will also influence the discussion of options for implementation.

A more detailed report prepared by Milliman will further analyze options and present the level to which risk is mitigated through the models. It will provide recommendations for the temporary reinsurance and permanent risk adjustment mechanisms. The report will also consider ways to utilize the risk adjustment mechanism currently administered by the Public Employee Benefits (PEB) program. This report will be presented to the TAC for their review and recommendations, followed by a presentation to the board. The board will then make a decision on the models and the reinsurance and risk adjustment implementation methods.

An RFP will be created and released to choose a contractor to administer the two risk leveling mechanisms. Once the risk adjustment mechanisms are implemented, adjustments will be made on an ongoing basis to best level risk across the insurance carriers inside and outside the exchange.

Design Process for Selecting State-Mandated Benefits that Exceed the Essential Health Benefits: In the exchange, a state must fund the premium and cost-sharing subsidies of any state-mandated benefit that exceeds the federal essential health benefits. That potential budgetary impact is a concern and our Legislature needs an opportunity to discuss and consider whether to mandate certain benefits in Washington State. To support the Legislature's deliberations, the HCA is proposing to design a coordinated process that produces a recommendation about whether to mandate a benefit. Consultants, leaders, and stakeholders would potentially consider evidence, cost effectiveness, ethics, or social norms in the selection process. The initiative would be designed in three steps: Step 1 seeks commitment from the Governor, Insurance Commissioner, and health care leaders from the Senate and House to design a coordinated process for their use. If commitment exists, then Step 2 attempts to design the selection process with leadership and guidance from the elected officials. Step 3 is an actuarial analysis of the state-mandated benefits that exceed the initial federal essential health benefits.

Providing Assistance to Individuals and Small Businesses, Coverage Appeals & Complaints
There are many aspects of the individual and small business experience that the exchange will want to ensure are consumer-friendly, addresses their specific needs and allows for easy and quick resolution if there is a problem.

Using Experiences of Consumer Assistance Programs for Consumer Assistance: Kristen West, CHOICE Regional Health Network, will collect data on various consumer assistance programs to assess applicable functions for the exchange. As part of the operational plan, Wakely Consulting will determine necessary protocols, managing the collection and transfer of information, and whether the state will operate these functions inside the exchange. The exchange will also establish the protocols for appeals of coverage determinations. Once the exchange has an operational structure, we will create a process for reviewing consumer complaint information collected by state consumer assistance programs when certifying QHPs.

Business Functions
There are several important business functions that are crucial to the success of the exchange. Washington State plans on moving forward with the development of these administrative functions as the exchange structure develops. An operational plan will be a critical piece of this development.

Operational Plan: Washington State will hire Wakely Consulting to develop an operational plan to evaluate and suggest areas for leveraging existing resources, provide a framework for building an exchange structure, and determine which functions should be performed by the exchange or be outsourced. The plan will include development of: the structure of the exchange, areas of responsibility and personnel; strategies for establishing a financial management structure; oversight and program integrity functions; the consumer assistance program; SHOP-specific administrative functions; leveraging Washington State's Health Insurance Partnership processes for the exchange; policies for the certification of QHPs; functionality of the call center; exchange website and calculator; quality rating system; eligibility determinations; overlap of business requirements between the exchange and the IT system; applications and notices; appeal functions; enrollment processes; exemption from individual responsibility requirement and payment; premium tax credit and cost-sharing reduction administration; notification and appeals of employer liability for the employer responsibility payment; information reporting to IRS and enrollee; and free choice vouchers.

Portions of the operational plan will be reviewed by the TAC and the board, as Wakely Consulting's recommendations are made. This will allow the development process to continue moving forward.

Certification of Qualified Health Plans: The certification of QHPs will be a significant decision made through background research and discussion with stakeholders, the Governor, and the Legislature. Deborah Chollet will write a brief on what criteria could potentially be used for plan qualification and timing of the process. As part of the operational plan, Wakely Consulting will develop a clear certification process, including a timeline for application submission, evaluation, and selection of QHPs. The draft criteria and timeline will be reviewed and revised by the TAC and the board. At this point, the state will engage stakeholders to vet the potential certification criteria and processes. Based on that feedback, the TAC will make recommendations to the board on the plan selection criteria and processes. The board will then present the criteria to the Governor and Legislature for their further action.

Beginning in mid-2012, we will develop an RFP for certification of qualified health plans. By early 2013, plans will be selected and negotiations will be taking place on premium bids, as well as other aspects of QHP offerings. By July 2013, plans will be selected, reviewed and in the final stages of preparations for being offered to consumers through the exchange.

Call Center: We will meet with officials from the Office of the Insurance Commissioner and Medicaid to understand their existing call center functions and what processes might be able to be used by the exchange. As part of the operational plan, Wakely Consulting will identify the needs and best approach for the call center, followed by the development of criteria to assist in selecting a vendor to operate the call center. By early 2013, a vendor will have been selected and protocols for customer service representatives will have been developed. The call center will be launched around prior to the first open enrollment period for the exchange.

Quality Rating System: After federal guidance is released, Wakely Consulting will assist in developing additional criteria as part of the quality rating system. They will explore the currently available information and options with other organizations

that collect and disseminate data, particularly the Puget Sound Health Alliance. The TAC and board will review the quality rating system options. The board will make a decision on the quality rating system requirements, and the exchange will implement the system and incorporate quality rating information into the exchange website. Information on quality rating will be continually reviewed for additional data that could potentially be offered through the exchange. The exchange would then be updated as this information becomes available.

Navigator Program: The consultant hired to create the outreach and education plan will review and make recommendations to identify the most effective use of Navigators and a list of diverse and representative organizations that could qualify as Navigators, including defining and coordinating the role of brokers.

The operational plan will include activities associated with the Navigator program, including developing high-level milestones and timeframes, performance measures, and how much money should be dedicated to the program. This plan, as well as that associated with the outreach and education plan, will be altered based on any guidance that may be released from HHS.

Those recommendations will be vetted through the TAC and the board and included in the report to the Governor and the Legislature. Once the program direction has been decided, the exchange will develop an RFP for the Navigator program that will be widely distributed. Contracts to serve as Navigators for 2013-2014 will be awarded in March 2013. Training for Navigators will start in April 2013, and the program will begin around August 2013. Following the start of the program, Navigators will be required to submit quarterly performance reports to help the exchange understand the success of the program. Following 2014, Navigators will have 12 month contracts and have the opportunity to reapply for the following year.

Eligibility Determinations: Because of the complexities of the Medicaid/exchange interactions that are necessary as part of the exchange, it is critical that there is constant coordination between the Medicaid/exchange eligibility and IT teams. There are several issues that will require substantial policy decisions, and the Medicaid work group will help to lay out the options for those decisions after federal guidance is released in June 2011.

One of the major decisions that will need significant attention is how to handle the population that will "churn" between Medicaid, the exchange, and potentially Basic Health, if the state chooses to have a program. Another critical decision will be the link between the Medicaid and exchange eligibility systems and how to create a system as seamless as possible that is able to make "real time" eligibility determinations.

As recommendations are made, those under the exchange's jurisdiction will be presented to the TAC and the board for their final recommendations. These will then be included in the report to the Governor and Legislature for their action, if needed. Decisions that fall under Medicaid's purview will be made by the Medicaid director. However, many of the decisions will touch both the exchange and Medicaid, and these will be made jointly by both programs.

The IT system teams will continue to evaluate and decide upon an eligibility system solution with constant input from senior-level officials in the exchange and Medicaid. As additional eligibility factors are known and policy decisions are made, we will build the business requirements for the eligibility portion of the IT system.

Applications and Notices: The federal government will likely release federal guidance on standard applications and notices in the fall of 2011. The exchange will use those standards to tailor the application and application processes to meet the state's needs. In doing so, the exchange will consult with the outreach and education stakeholder group to receive their feedback on consumer readability and ease of using the application and understanding notices. The final applications and notices will be tested before the open enrollment period in 2013.

Adjudication of Appeals of Eligibility Determinations: To find the best appeals process for Washington State, we will review existing programs and processes for appealing eligibility determinations. Once federal guidance is received to further clarify requirements and issues, Wakely Consulting will help the state determine what resources are necessary to handle appeals, as well as develop business processes and an operational plan for appeals functions. Once the approach is determined, the exchange will need to develop training materials for its call center workers, eligibility workers, Navigators and others on the

eligibility requirements. These materials will be vetted with the outreach and education stakeholder group to ensure they are understandable for consumers. The exchange will work with HHS to establish a process for referring appeals to the federal appeals process before beginning to receive and adjudicate requests starting during the 2013 open enrollment period.

Outreach and Education: To continue to make information on the exchange available to the public, we will update the Health Care Authority's exchange web page with any new information to reflect the work being done during the planning and development process and any publications released. We will also continue to send notices via the exchange listserv when new information is available. Additionally, we will continue to meet with stakeholders to communicate any decisions being made on the exchange and receive their input on key issues.

In order to create a comprehensive outreach and education strategy, the state will develop an RFP for a communications plan that will assist the exchange through 2014. The communications plan will include different phases:

- *Phase I: Research and Planning* – The consultant will conduct focus groups and surveys of people's knowledge, concerns, and sources of information on the exchange. This will allow for the understanding of messaging and the level of outreach and education that will be necessary.
- *Phase II: Outreach and Education Materials Development* – This phase will create materials that appeal to and are easily understandable to our target audience, such as brochures, posters, and doctor's office messages. This phase will include identifying the role of Navigators in outreach and education.
- *Phase III: Launch activities* – This phase will include the actual outreach and education to reach as many of those likely to interact with the exchange as possible. This will include dissemination of educational materials, a marketing campaign, and partnering with community groups, Navigators and others to reach the target audience.

A communications firm will be hired to both create and carry out the communications plans for outreach and education. A stakeholder group will be charged to provide input on the three phases of the communications plan, as well as other areas involving consumer materials. This will ensure that consumers' ideas and concerns are incorporated into the plan. Any necessary decisions will also be vetted through the TAC and the board. The Phase III activities will begin in January 2013 and continue through the end of 2014 to encourage a strong outreach effort during the first year of the exchange.

SHOP-Specific Functions: Wakely Consulting will review the operations of a small business exchange and the necessity to incorporate functions for small businesses that would otherwise be provided by small employers themselves, such as simplifying enrollment, aggregating premiums, and managing employee insurance plan choice. This analysis will include possibilities for leveraging processes and functions of the Washington State's Health Insurance Partnership (HIP) and lessons learned from the program. The recommendations that result from the analyses will be presented to the TAC and the board for their review. Their recommendations, in turn, will be included in the report to the Governor and Legislature.

Once decisions have been made on the SHOP, the exchange will develop system and operational processes for the administrative duties the exchange would take on for small employers, including assistance in helping them qualify for the small business tax credits. The exchange will need to hire staff specifically to handle the SHOP-specific functions and assist small businesses in offering insurance to their employees.

Role of the Health Insurance Partnership (HIP): Because Washington State already has a small business exchange, called the Health Insurance Partnership (HIP), we will have to consider how the programs may be merged in the future. We have created a work group of existing HIP and exchange staff to evaluate program overlap, experiences with HIP that may be valuable for the exchange, and how the two programs may be integrated. Amy Lischko, a consultant who has done work in the development of HIP, as well as in the state's exchange planning, will write an issue brief on how the programs intersect and the possibilities for merging them. Additionally, as mentioned above, Wakely Consulting will evaluate current HIP processes that may be leveraged for the exchange. These documents will be presented to the TAC and the board for their recommendations on whether to integrate the programs. These recommendations will be included in the report to the Governor and the Legislature.

Premium Aggregation/Cost-Sharing Administrative Functions for Individuals: It is unclear whether HHS would allow a state exchange to contract with a third-party administrator to aggregate premium subsidies for individuals that would otherwise go directly to plans, cost-sharing subsidies and individual premium payments, on behalf of individuals and plans. However, if

this is an option, Washington State would be interested in exploring it. This would be analyzed in the operational plan, and options would be presented to the TAC and board for their recommendations. These recommendations would also be included in the report to the Governor and Legislature.

Other Business Functions: There are other business functions that are system-driven and less programmatic. As a result, these functions are included in the IT systems portion of the grant application, but will be evaluated for their administrative components as part of the operational plan. These include enrollment processes, exemption from individual responsibility requirement and payment, premium tax credit and cost-sharing reduction administration, notification and appeals of employer liability for the employer responsibility payment, information reporting to IRS and enrollee, and free choice vouchers.

Delivery System Reforms

While not an HHS-defined Core Area of exchange development, Washington State believes that delivery system reform is an integral part of health reform, and thus, part of exchange development and design. While we may not be able to incorporate major reforms in 2014, our goal is to work toward making the exchange a place to not only purchase insurance, but be able to make health insurance choices based on cost, quality and performance.

Short-Term Reforms: Michael Bailit of Bailit Consulting will identify quality, cost and performance data and information on plans and providers that may be available to exchange consumers in 2014. Mr. Bailit will consult with the Puget Sound Health Alliance on this information. This information will be presented to the TAC and the board for their recommendation. If the board decides to incorporate data in 2014, the information will be built into the website interface for consumers. Annually, the board would review available data and information to be included into the exchange and make recommendations on additional data that could be added to further inform consumer choice.

Longer-Term Reforms: To address longer term reforms that would be more impactful on the exchange's role as a marketplace, a consultant will write a brief on concrete delivery system reform options that could potentially be incorporated into the exchange. The options in the exchange will be presented to the TAC and board. The board would then make recommendations for further exploration of certain options.

A consultant will produce a report further analyzing the options for specific actions, including the cost of implementation, how they would incorporated into the exchange, and how they would affect other areas of the exchange. The report's findings would be presented to the TAC and the board for their final recommendations. The recommendations would be included in a report to the Governor and the Legislature. Legislation may be required to add delivery system reforms, and the exchange will work with the Legislature on draft legislation. Any options that are to be incorporated into the exchange would be added to the operational plan, as well as the IT system requirements to ensure a seamless integration into the existing exchange.

C. Summary of Exchange IT Gap Analysis

Current Washington Technical Architecture

The technical landscape that supports Washington's current health related systems is diverse in its outlay. The current systems are comprised of everything from legacy mainframe components to end-user interfaces constructed with fourth generation language, utilizing rapid application development tools. The main health IT systems for Washington are ACES and ProviderOne. There are a variety of other IT systems related to or that facilitates health information systems, and was reviewed for potential components that could be leveraged to support the Washington exchange.

Existing System	Functions and capabilities
ACES	The ACES System was built using IBM IMS as a base and COBOL for the primary development language. The system has evolved since inception and now the legacy system is presently being decoupled and new functionality is being introduced using technologies like Java, web services, DB2, WebSphere MQ, and iLog rules engine. The high-level business functions that ACES supports are: letters and correspondence, case management, Interactive Voice Response (IVR), benefit verification, eligibility determination, address verification, and enrollment.

Washington Connection	Washington Connection serves as a self-service portal where individuals and families can check their potential eligibility for social and health programs and submit applications. The major software components of Washington Connection include Websphere MQ Enterprise Service Bus, iLog rules engine, DB2, SQL Server, and Tivoli Identity Management. Data Collected through Washington Connection is sent to ACES for eligibility determination. Enhancements planned for 2011 include the ability to report eligibility changes.
ProviderOne	ProviderOne, the state's MMIS system, adjudicates claims, processes payments and acts as the central data and reporting repository. The system was implemented May 9th, 2010 with no major modification since the release. The core business functions the system provides are: client and provider services, managed care, work management, coordination of benefits (COB), claims processing, social services billing and payment (SSBP), and prior authorization. Ancillary components that interface with the core ProviderOne core include: correspondence, pharmacy point of sale, Oracle Financials, call center and integrated voice recognition (IVR), imaging, data warehouse, and federal reporting.
OneHealthPort - Washington HIE	Washington State Senate Bill 5501 established HCA oversight for development of Health Information Exchange (HIE) in the state; HCA choose OneHealthPort (OHP) to manage the implementation of the HIE. OneHealthPort was created by a coalition of health plans, physicians and hospitals and has multiple accountabilities to its Board, and the HCA serving as the state coordinating body. The high level business functions that the OneHealthPort system supports are: exchange health care information in secure fashion, X12 EDI, HL7, NCPDP transactions, trading partner management, provider registry, credentialing service, secure authentication, and Single Sign-On.
Department of Social and Health Services	The Department of Social and Health Services has a mature and well organized Information Technology department that supports many components, both modern and legacy that could potentially be leveraged to support the exchange. Some of the software and hardware components currently in use at DSHS are: IBM Websphere MQ, IBM Websphere Message Broker, eXtensible Style sheet Language Transformations, Messaging adapters, Enterprise Service Bus, and Server Virtualization.

Targeted Exchange Technical Architecture

While portions of the technical architecture of the exchange have yet to be decided, a clear idea of the technical landscape of the exchange has been identified. A driving factor behind coming up with an approximate exchange architecture was to guide the gap analysis and provide a working framework as the exchange materializes. The functional requirements of the target solution have been previously categorized in the earlier section; the intent of this section is to show alignment of the IT infrastructure as foreseen to support the business functions of the exchange. NOTE: Please refer to the diagram under *"Conceptual Solution Overview"* section for a high level overview of the technical components.

Technical and Non-Functional Components

The following table outlines the foreseen technical and non-functional components represented in the preceding diagram. The state understands that there might be a bit a vacillation regarding some of the non-functional and technical requirements, and plans to approach the design and implementation in an iterative fashion as requirements solidify.

Component	Functions and capabilities
Technical	
Enterprise Service Bus (ESB) - Communication Hub	• Integration • End Point Management • WS-* support • Business Process Management
Business Rules Services	• Decoupled business rule execution

Component	Functions and capabilities
	• Centralized and modular access

Presentation Services	• Services to support the exchange Portal
	• Client facing tier of the exchange
	• Services to support:
	  • Title II of the Americans with Disabilities Act
	  • Accessibility (Section 504 and 508)

Security Services	• HIPAA Compliance • Federal Information Processing Standards • IRS Tax Information Security Guidelines • National Institute of Standards and Technology security standards and controls
Call Center / IVR	• Integration with client facing applications • Automated attendants • Triage for help center
Correspondence and Notification	• Batch mailing • Translation services • Template support
Reporting	• Potential Data Warehouse and Operational Data Store • Federal reporting requirements • Cost and sustainability
Non-Functional	
Identity Management Services	• Authentication and Authorization services • Account management
Standards Compliance	• HIPAA EDI X12 • XSD • WS-*
Federated Security	• Single Sign-On • SAML Assertions
Virtualization	• Server capacity management • Server consolidation
Scalability	• Accommodate increase in Medicaid enrollment • High Availability

Note: IT functions are largely derived from a policy-driven partnership between the program / policy area and IT for design, development, implementation, and operations of the exchange.

Exchange Technical Architecture Gap Summary

While the state currently has a variety of components that could serve as building blocks for the exchange, many of the components will need to be developed or configured to meet the requirements of the exchange. Necessary decisions regarding specific technologies and platforms will be made within the coming months so that the exchange can continue its progress toward implementation.

Component	Functions and capabilities
Technical	
Enterprise Service Bus (ESB) - Communication Hub	• Many portions of an ESB are currently being utilized by the Washington IT systems. However, there are some elements, like business process execution that will need to be upgraded to support the exchange.
Business Rules Services	• Both ACES and ProviderOne currently use business rules engines (BRE) to get assertions regarding business processes. The exchange BRE will need to be identified and the exchange rules will need to be implemented.
Presentation Services	• The client facing exchange will either have to be partially ported from an "early

Component	Functions and capabilities
	innovator" state or built from the ground up. Consideration will also be given toward purchasing a state-specific configuration.
Security Services	• Almost all of the web service exchanges occur on trusted networks, primarily behind DMZs. If the web services that are exposed by external exchange trading partners require enhanced web service security, then the item will need to be addressed. • OneHealthPort (WA HIE) currently support SAML assertions to federate security, so the exchange may replicate the HIE security model.
Call Center / IVR	• Both ACES and ProviderOne have an IVR system that is integrated to the core application. Ability to leverage the technology is dependent on the potential call volume for the exchange.
Correspondence and Notification	• Both ACES and ProviderOne support correspondence generation in nine different languages. The technology of either system could potentially be leveraged for the exchange.
Reporting	• Both ACES and ProviderOne have reporting infrastructure that can be leveraged for reporting, but will potentially require additional licenses. • New federal, state, operational and analytical reporting will need to be built to meet the requirements of the exchange.
Non-Functional	
Identity Management Services	• Washington has an identity management system, Secure Access Washington that could potentially be leveraged to support the exchange.
Standards Compliance	• Both ProviderOne and OneHealthPort support the HIPAA transactions that will be utilized by the exchange.
Federated Security	• OneHealthPort has implemented a solid federated security model that supports Single Sign-On, non-repudiation, two factor authentication.
Virtualization	• All of the systems reviewed use some form of server virtualization to support their platforms.
Scalability	• Given the architecture of the systems reviewed and best practices adopted by Washington State, the ability to meet the increased demand and throughput of the exchange should not be an issue.

D. Evaluation Plan

Having appropriate evaluation measures is critical to the success of developing the exchange. It is also important to develop key indicators for measurement that build on baseline data. Washington State will monitor progress and evaluate achievement of their exchange development work, as well as their consultants.

Monitoring Progress: The state will use a series of methods to monitor progress and assess achievement, including:

- Timely completion of activities;
- Consultant performance reviews;
- Exchange staff performance reviews;
- Stakeholder feedback;
- Engagement on exchange issues from relevant state agencies' staffs; carriers, brokers, and providers; and the exchange's target audience;
- Effects on the Medicaid program, the individual and private insurance markets, and other state programs; and
- Effective financial management, program integrity and efficiency reviews.

Timeline Evaluation: A version of the HCA's standard monitoring timeline for large projects has been drafted and submitted with this grant application. The timeline has proved useful in helping HCA staff to monitor progress toward specific measures, such as the outcomes in the exchange work plan, and to ensure that timely interventions occur. The timeline will assist staff to perform ongoing evaluations and provide a tool to track and update information for quarterly and multi-year evaluations.

Ability to Adjust Work Plans: In addition, because of the accelerated timeline for having the exchange operational by January 1, 2014, there are many opportunities for shifts in planned activities. Thus, the exchange will need to evaluate and identify potential risks to mitigate them before they have the opportunity to delay or stall progress. The exchange will also need to be flexible, as federal guidance as well as state environments may impact exchange decisions. To the extent possible, the state will have contingency plans, alternative approaches and areas identified as priorities to ensure progress in made to meet federal and state timelines.

Consultant Evaluation: Because much of the upcoming work for these grant funds involves consultants, HCA has a process to evaluate and mitigate any problems that arise with a consultant's scope of work. HCA and consultants research and discuss the scope of each deliverable to ensure the best possible outcome for each engagement. HCA schedules regular updates with consultants to anticipate and respond to concerns.

Regular meetings are also used to identify problems. If a problem arise, we verify that a common understanding of the issue exists between the HCA, the consultant, and sometimes, key stakeholders. Next, we verify whether the problem is within the consultant's scope of work, as the scope of work, or the timeline, can be adjusted, if necessary.

In rare instances, the consultant's decision-making, or use of time and resources, must be addressed. The HCA ensures that customers and stakeholders, when necessary, are aware of the resolution, and that all parties learn from the experience. The HCA documents the resolution in an e-mail or letter, or in rare occasions, must amend a contract.

IT Systems Evaluation: The state proposes to form a project management office (PMO) and utilize an independent Quality Assurance (QA) consultant to monitor progress towards achieving the project's stated objectives and required deliverables throughout the development and implementation of the exchange. This approach is required for projects of this size, risk and complexity within the state's IT policies and standards. The PMO will be chiefly responsible for day-to-day progress monitoring. The independent QA will review program progress and performance against specific indicators and report back findings to the State Project Director and Information Services Board. As with all projects of this nature in the state, an internal review group will be established for purposes of reviewing quality, progress and determining follow up actions to issues and risks. Washington will evaluate progress and success of the initiative based on key performance indicators (KPIs) that would determine the ability to implement efficiently and effectively, achieve the vision, and meet anticipated enrollment targets.

KPI: *Achieves the vision, on time, on budget, within the designed scope (daily monitoring within the project management organization, monthly progress reviews with the Washington Steering Committee and other stakeholders)*. Washington will conduct checkpoints throughout the design, development, and implementation process. There will be regular reviews of program status by both the project team, as well as regular progress reviews with the Steering Committee. In addition, Washington will review the design and developed solution with its Exchange Advisory Group, comprised of representatives from CCIIO, and other key stakeholders and industry experts. This will better ensure that the design and developed solution achieves the articulated vision. Washington will also perform extensive reviews and testing throughout the project lifecycle. Washington will conduct detailed requirements to design traceability reviews, system testing, and detailed user acceptance testing using both System Integrator and the State Testing Team.

KPI: Successfully meets all program milestones (milestone/exit gate reviews according to the work plan and detailed schedule). In addition to the CCIIO mandated reviews, Washington will establish stage-gate reviews at the end of each phase with the SDLC. Washington expects to release the components of the exchange in an incremental fashion leading to the final operational readiness review in summer of 2013. Monitoring this KPI closely will enable Washington to recognize if additional reviews or changes are required in order to meet the overall delivery objectives.

KPI: Intuitive design – less than 15% of transactions require process assistance / intervention. One of the key objectives is to have an intuitive process for individuals and employers. Inquiries, support facilitated processing, and feedback will be monitored ongoing to continuously improve the end user experience. This metric will be monitored monthly post implementation.

Work Plan

1. Background Research

Data Analysis (Lead: Thea Mounts, Office of Financial Management)

Activity	Timing	Outcome
Using SHAP funding, analyze MEPS data (tailored to mirror Washington State landscape) to understand what the Medicaid expansion and exchange subsidized population may look like, what their medical needs are, and what capacity might be necessary to meet their needs	March-September 2011	Tailored MEPS analysis
Use findings to help prepare the exchange for the population and prevent any issues with potentially high demand of medical services	September-November 2011	Understanding of population entering exchange and their health needs
Make policy recommendations and adapt exchange administrative functions, as necessary	December 2011	Policy recommendations

Federal Basic Health Option (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Using existing planning grant money, Amy Lischko, consultant, writes brief on advantages/disadvantages and feasibility of continuing Basic Health program in 2014. She also includes an analysis of cost sharing in Basic Health and how that may affect the federal Basic Health program and exchange subsidies.	June-August 2011	Options brief
Present brief to TAC	September 2011	Revise brief for board
Present brief to board	October 2011	Board considers option
Board makes policy recommendations in report to legislature	December 2011	Policy recommendations
Assist in drafting legislation for the federal BH program, if necessary	January 2011	Draft legislation (if necessary)
If legislation passes, develop administrative plan for implementing federal BH option	March 2012-January 2014	Create federal BH option for 2014 (if necessary)

2. Stakeholder Consultation

Continued meetings with stakeholders in state (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Continue initial meetings with stakeholders including: • Insurance carriers • Providers (medical professional and hospital groups) • Consumer advocates • Employers • Brokers • Tribes • Veterans	Ongoing through April 2011	Understanding of various stakeholder options on exchange
Secondary meetings with stakeholders to discuss passed legislation and further exchange development	May-June 2011	More in-depth opinions on exchange issues
Develop technical advisory board until governance board is in place to discuss exchange design issues	June 2011	Continue using TAC until governance board is put into place

Tribal Interaction (Lead: Molly Voris, Exchange Project Manager and Jan Olmstead, Tribal Liaison for Health Care Authority)

Activity	Timing	Outcome
Fund the American Indian Health Commission (AIHC) for impact analysis of exchange on the 29 federally-recognized Tribes	July – November 2011	Brief on impacts of the exchange on Tribes
Work with Medicaid to identify definition of AI/NA for Transitional Bridge Waiver, that will then be used for the exchange	Starting in May 2011, then ongoing	Definition of AI/NA for Medicaid, BH and exchange
Continue to communicate with Sheryl Lowe, American Indian Health Commission, on the Tribes' issues on the exchange	Ongoing	Continued communications
Use AIHC workgroup developed as part of Medicaid Transitional Bridge waiver to receive feedback on exchange issues	Ongoing	Open working relationship
Distribute exchange-related publications and reports to WA Tribes	Ongoing	Tribes kept informed of state's exchange work
Consult with Tribes on exchange	Ongoing	Formal Consultation, as well as informal and more detailed consultation on the exchange
Encourage AIHC and Tribes to apply for Navigator grant	March 2013	AIHC and Tribes as Navigators

Public Stakeholder Meetings (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Hold public stakeholder input meetings on the exchange in 8 locations throughout the state: • Yakima • Wenatchee • Spokane • Bellingham • Port Angeles • Seattle • Vancouver • Olympia	May-August 2011	Funds to run meetings throughout the state
Provide written summaries of meetings for website posting	May-September 2011	Meetings available to the public

3. **Legislative/Regulatory Action** (Jonathan Seib, Executive Policy Advisor to the Governor and Richard Onizuka, Health Policy Director, HCA)

Activity	Timing	Outcome
Draft enabling legislation	November 2010	Governor-request legislation
Legislation passes (different from original form)	April 2011	Limited enabling legislation
Draft legislation to address additional duties and responsibilities of the exchange, establish legal authority necessary to establish and operate an exchange	November 2011	Draft legislation
Pass legislation on authority and major exchange policy decisions	March 2012	Operating authority given to the exchange
Implement regulations, by-laws of the exchange, or other mechanism that gives the exchange its authority to operate, if not passed in legislation	September 2011 or April 2012	Operating authority given to the exchange

4. **Governance** (Jonathan Seib, Executive Policy Advisor to the Governor and Richard Onizuka, Health Policy Director, HCA)

Activity	Timing	Outcome
Draft enabling legislation based on stakeholder meetings, advisory groups and legislative feedback	November 2010	Governor-request legislation
Legislation passes establishing an exchange entity in July 2012 (different from original form)	April 2011	Limited governance in 2012
Governor and Legislature appoints exchange governance board	July 2012	Exchange Governance Board members
When established, exchange establishes by-laws to operate under and determine standards for the board around transparency and accountability	September 2011 or August 2012	By-laws and standards for exchange
Exchange hires an executive director and other staff to oversee operations of the exchange	October 2012	Exchange staff
Review by-laws and make changes, as necessary for the exchange to evolve	Ongoing after January 1, 2014	Revised by-laws

5. **Exchange IT Systems** – see below for IT system work plan (Richard Campbell, Healthcare CIO and John Specht, Interim IT Systems Project Manager)

6. **Program Integration**

Integration with Medicaid (Lead: Molly Voris, Exchange Project Manager and Medicaid agency staff)

Activity	Timing	Outcome
Create internal work group for Medicaid and the exchange roles/responsibilities, identifying lead organization, and dealing with challenges, on issues including: • Eligibility determination, verification and enrollment • Strategies for compliance with "no wrong door" policy • Benefits • Medicaid managed care • IT systems	March 2011	Work group on Medicaid/exchange issues
Use work group to create options and recommendations on issues between Medicaid and the exchange (and potentially BH), operating procedures between exchange and other state health programs, and cost allocations between exchange grant, Medicaid and other funding streams. Coordinate work group options with insurers and other private entities who will be involved in integration.	March-September 2011	Memo on options/recommendations for areas of overlap
Present options/recommendations to agency leadership and exchange TAC/board	October 2011	Revised memo
Provide briefing for Legislature in context of decisions needed to be made through legislation in 2012 and possibly on an ongoing basis	November 2011	Briefing to Legislature
Use Transitional Bridge Waiver as a demo for exchange	Ongoing starting in March 2011	Working with BH policy group to identify areas of overlap between requirements for the waiver and exchange/Medicaid requirements in 2014

Integration with Office of the Insurance Commissioner (OIC) (Lead: Molly Voris, Exchange Project Manager and Barb Flye, Senior Policy Analyst, OIC)

Activity	Timing	Outcome
Regular meetings with Barb Flye at OIC to coordinate work, including: • Roles and responsibilities of exchange and OIC for QHPs inside and outside exchange • Limiting adverse selection between exchange and outside market	Ongoing starting March 2011	Work group for insurance market integration
Develop options for roles and responsibilities and market reforms that affect the exchange and the outside market	March-August 2011	Memo on options for market reforms based on additional actuarial and market analyses, if needed
Present options to Governor, Insurance Commissioner and Legislature	September 2011	Understand preferred directions
Further develop preferred options	October-December 2011	Revised memo
OIC and exchange draft legislation, as needed, for 2012 session	December 2011	Prepare for 2012 session

Sharing Information between OIC and Exchange (Lead: Molly Voris, Exchange Project Manager and Barb Flye, Senior Policy Analyst, OIC)

Activity	Timing	Outcome
Work with OIC to ensure OIC-collected information will be shared with the exchange to ensure QHPs meet state insurance regulations, including: • Rate review • State licensure • Solvency • Market conduct • Financial stability of insurance companies • New insurance market reforms in 2014	May 2011-May 2012	Staff communication and IT systems have process for exchanging information
Ensure way to share exchange-collected data on QHPs with OIC, including: • Certification processes • Quality information • Performance requirements	May 2011-May 2012	Staff communication and IT systems have process for exchanging information
Test information sharing through IT systems	April 2013	Functioning system

7. Financial Management

Adhere to HHS financial monitoring activities carried out for grants (Lead: Molly Voris, Exchange Project Manager and David Donnell, Federal Grants and Budget Specialist)

Activity	Timing	Outcome
Develop state financial policies to ensure proper use of funds	Already in place	Developed on both a state-wide and agency level
Develop agency policies to bridge between state financial policies and federal grant policies	Underway; Ongoing through April 2012	Policies applying to state funds and federal grants
Transition financial management over to exchange entity	April 2012	Exchange financial management system

Develop Financial Management Structure (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
As part of operational plan (see business functions for more details on developing the operational plan), assess resources, needs, and gaps to develop a financial management structure for the exchange	May– June 2011	Gaps, needs, resources available for financial model
Develop a financial model to project exchange revenue and expenses over 5 years, recommended levels of funding required to make the exchange self-sustaining by January 2015, and the estimated resources required for the first 5 years of operation	June-September 2011	Financial model proposal
Present proposed model to TAC	September 2011	Recommendation for Board
Present model to Board for approval	October 2011	Financial model approved
Implement financial management structure	November 2011-December 2012	Financial management structure in place
Assessing adequacy of accounting and financial reporting systems	January-March 2013; then ongoing	Adequate accounting and financial reporting systems
Demonstrate capability to manage the finances of the exchange soundly, including the ability to publish all expenses, receivables, and expenditures consistent with federal requirements	January-December 2013	Sound management of finances
Post information related to exchange financial management on the exchange website and identify other means to make financial activities transparent	January-December 2014	Website postings on financial management
Submit annual accounting report to HHS	Annually beginning in 2014	Annual accounting reports to HHS

Sustainability (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Summarize options for sustainability: what operational costs are estimated to be, what assessments are options, and what is most feasible (see operational plan)	July-November 2011	Options for possible ways to maintain exchange operations
Present options to TAC	November 2011	Narrow options
Present options to Board	December 2011	Report to Governor and Legislature
Board presents options to legislature	January 2012	Operational financing in place
Draft legislation on potential funding mechanisms for the exchange (if necessary)	January 2012 or January 2013	Draft legislation
Passed legislation on funding mechanisms for the exchange	March 2012 or April 2013	Funding mechanism in place for exchange

8. Oversight & Program Integrity

Ensure the prevention of waste, fraud and abuse of grant funds (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Develop state financial policies to ensure proper use of grant funds	Already in place	Developed on both a state-wide and agency level
Develop agency policies to bridge between state financial policies and federal grant policies	Underway; Ongoing through April 2012	Policies for both state and federal policies
Follow appropriate HHS audit procedures	Ongoing	Audit procedures adhered to

Implement Oversight and Program Integrity Functions (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
As part of operational plan (see business functions for more details on developing the operational plan), assess existing programs, develop plan processes, and create hiring plan for oversight and program integrity functions	May–June 2011	Existing program integrity programs in the state that may be leveraged, developed plan processes and hiring plan for oversight and program integrity functions
Continue to develop processes and hire staff for oversight and program integrity functions	July 2011-March 2012	Staff for oversight and program integrity functions
Present proposed oversight and program integrity functions to TAC	October 2011	Recommendation for Board
Present proposed oversight and program integrity functions to Board for approval	November 2011	Financial model approved
Establish procedures for external audit by a qualified auditing entity to perform an independent external financial audit of the exchange	April 2012	External audit procedures
Establish fraud detection procedures	January-March 2013; then ongoing	Fraud detection procedures
Develop procedures for reporting to HHS on efforts to prevent fraud, waste and abuse	April 2013	Procedures for preventing fraud, waste and abuse
Comply with HHS reporting requirements related to auditing and prevention of fraud, waste and abuse	July 2014	Reports to HHS on auditing and preventing fraud, waste and abuse

9. Health Insurance Market Reforms

Preventing Adverse Selection (Lead: Barb Flye, Senior Policy Analyst, OIC and Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Write overview brief that will discuss adverse selection for individual and small group plans inside and outside the exchange and risk selection within the exchange. Discuss the health status and amount of enrollment, whether the federal Basic Health program is offered, incentives for small groups to self-insure, and the combined impact of the three risk leveling methods.	May-August 2011	Issue brief written in with OIC
Use report as basis for discussions with technical advisory committee	August 2011	Options/recommendations
Consultant, Milliman, to write options and analysis report on ways to mitigate adverse selection across markets, inside and outside of the exchange, as well as market analyzes	November 2011	Report on mitigating adverse selection
Present options brief to TAC	November 2011	Revise options, as necessary

Present to Board and Insurance Commissioner for recommendations	December 2011	Recommendation for legislature
Draft legislation on outcomes (if any)	December 2011	Draft bill
Pass legislation (if any)	January -March 2012	Specific market features in statute (if any)

Risk Leveling (Lead: Michael Arnis, Senior Policy Analyst, HCA)

Activity	Timing	Outcome
Consultant Deborah Chollet, Mathematica Policy, Inc., to write brief on how each of the three risk leveling mechanisms might work and how they would interact with each other. It would also consider options for WSHIP.	August-October 2011	Overview brief
Use brief as basis for next steps discussion with technical advisory committee	November 2011	Board understanding of risk leveling issues
Consultant Milliman to write a more detailed review of options and recommendations for reinsurance and risk adjustment (functions of the exchange)	December 2011-March 2012	Report on recommendations for administering reinsurance and risk adjustment mechanisms
Use report as basis for a discussion with technical advisory committee	March 2012	Recommendations for board to decide risk adjustment mechanisms
Present report to board for recommendations on risk leveling approach	April 2012	Board recommendations
Board decides on reinsurance and risk adjustment mechanisms	May 2012	Reinsurance and risk adjustment mechanisms and functions decided for 2014
Draft RFP for administering reinsurance and risk adjustment	June 2012	RFP for administering reinsurance and risk adjustment
Release RFP	August 2012	Bids for contractors
Contractor chosen to operate reinsurance and risk adjustment	October 2012	Contractor to administer risk leveling methods
Contractor begins work on developing reinsurance and risk adjustment mechanisms	November 2012	Contractor begins work
Purchase software rights (possibly adding on to PEBB contract) and use software	December 2012	Use of software
Implementation of risk adjustment mechanisms	November 2012-December 2013	Risk adjustment functioning
Adjustments to mechanisms	Ongoing	Contractor continues to manage

Design Process for Selecting and Evaluating State-Mandated Benefits that Exceed Essential Health Benefits (Lead: Michael Arnis, Senior Policy Analyst, HCA)

Activity	Timing	Outcome
Through consultants Milliman, Paul Goldberg, and Center for Evidence-Based Policy, request Governor, Insurance Commissioner, and health care leaders in the Senate and House consider establishing a coordinated process for selecting and recommending to the Legislature state-mandated benefits that exceed the essential health benefits	June 2011	Attempt a design of a coordinated process or reject project
Design selection process: select benefits for consideration, evaluation criteria, and key steps	July-September 2011	Design for a coordinated process
Discuss possible criteria for selecting a benefit for consideration	July-September 2011	Criteria for selection of benefit
Discuss criteria for evaluating a potential state-	July-September 2011	Criteria for evaluation of benefit

mandated benefit		
Discuss key steps for considering and possibly establishing a state-only mandated benefit: • Review process used by Institute of Medicine • Review process used by Washington State evidence-based programs	July-September 2011	Review existing processes
Federal guidance on essential health benefits released	Fall 2011	Federal definition of essential health benefits
Consultant Milliman to perform actuarial comparison of state mandated benefits that exceed essential health benefits	October -December 2011	Estimate of state cost of providing state-mandated benefits that exceed the essential health benefits (will be done regardless of whether evaluation process moves forward)
Possibly introduce legislation to designate initial essential health benefits as the required set of benefits defined by the federal government for the individual and small group markets	January 2012	Designates the federal floor for benefits offered in the individual and small group markets
Begin using the coordinated process	June 2012	Likely establish a recommendation for confirming or revising the set of initial state-mandated benefits that exceed the federal essential health benefits
Possibly introduce legislation to revise the state-mandated benefits that exceed the federal essential health benefits	January 2013	Establishes the benefits that must be offered in individual and small group plans beginning January 2014

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

Using Experiences of Consumer Assistance Programs for Consumer Assistance (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Consultant Kristin West, CHOICE Networks, to collect data and assess the current availability of consumer assistance services, including: • Help individuals determine eligibility for private and public coverage and enroll in such coverage • Help file grievances and appeals • Provide information about consumer protections' • Collect data on inquiries and problems and how they are resolved	July-November 2011	Use information to strengthen accountability of QHPs and functioning of the exchange
As part of operational plan, determine whether the state will operate these functions within the exchange, what protocols are necessary and how information will be collected and transferred, as appropriate	January-April 2012	Decisions on consumer assistance programs
Establish protocols for appeals of coverage determinations, including review standards, timelines, and provisions for consumers during the appeals process	July 2012	Appeals of coverage determination protocols
Draft scope of work for building capacity to handle coverage appeal functions	August 2012	Scope of work on capacity to handle coverage appeal functions

Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen QHP accountability and functioning of the exchange	October -December 2012	Data reported on consumer assistance programs
Establish a process for reviewing consumer complaint information collected by state consumer assistance programs when certifying QHPs	February- May 2013	Reviewing consumer complaint processes
Establish a process for referrals to other consumer assistance programs	February-May 2013	Process for referring consumers to other consumer assistance programs
Ensure any consumer complaints or coverage appeal requests are referred directly to the state program that is designated to process these calls	January-December 2014; ongoing	Procedures for referring complaints or coverage appeal requests to the state program

11. Business Functions

Operational Plan (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Contract with Wakely Consulting Group to develop an operational plan to evaluate existing programs and build an exchange structure, personnel and operating procedures. The plan will include: • Leveraging existing programs • Integrating existing state programs • Determining which functions should be performed in-house or be outsourced	May 2011- May 2012	Several reports on strategies and recommendations moving forward
Operational plan to include: • Structure of the exchange, areas of responsibility, personnel • Strategies for establishing a financial management structure and hiring financial personnel to support financial management activities of the exchange, including responding to audit requests and inquiries from feds • Oversight and program integrity • Whether the state should operate functions of a consumer assistance program • SHOP-specific administrative functions (aggregating premiums, etc.) • Leveraging HIP processes for the exchange • Policies for the certification of QHPs • Functionality of call center • Exchange website and calculator • Quality rating system • Navigator program • Eligibility determinations • Applications and notices • Appeals functions • Enrollment Process • Exemptions from Individual Responsibility Requirement and Payment • Premium Tax Credit and Cost-Sharing Reduction	May 2011- May 2012	Detailed operational plan

Administration • Notification and Appeals of Employer Liability for the Employer Responsibility Payment • Information Reporting to IRS and Enrollee • Premium aggregation for individuals through a TPA (if possible)		
Results of the assessment and evaluation used to make exchange operational decisions	June 2011-May 2012	Operational decisions made for exchange
Operational plan reviewed by TAC	Throughout; May 2012	Revised plan based on TAC feedback
Operational recommendations presented to board	Throughout; May 2012	Board recommendations on operational plan
Exchange implements operational plan and build	Ongoing; through July 2013	Operational plan put in place

Certification of Qualified Health Plans (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
As part of planning grant, consultant Deborah Chollet, Mathematica, to write brief on what criteria should be laid out for governance board to select plans in 2014 and timing	April-July 2011	Brief with potential criteria for plan selection and timing for plan selection process
As a part of the operational plan, develop a clear certification process including a timeline for application submission, evaluation, and selection of QHPs	August 2011	Potential certification process
Engage stakeholders to gather input on potential certification criteria	August-September 2011	Stakeholder meetings
Use brief, policies and stakeholder feedback as a basis for discussions with TAC	September 2011	Options/recommendations for governance board
Present recommended criteria to governance board	December 2011	Governance board decides and finalizes criteria
Provide Governor and Legislature with report on criteria	December 2011	Report on criteria
Develop an RFP for certification of a QHP	March-June 2012	RFP
Draft certification documents that will be used in connection with certification of QHPs	March-June 2012	Certification documents
Release RFP to plans	September 2012	Plan submissions to be a QHP
Launch plan management and bid evaluation systems to allow for upload of bids	September 2012	Simultaneous release with RFP
Begin training health plan issuers to become QHPs	November 2012	Health plan issuers trained
Receive responses for certification (required to be submitted online)	January 2013	Evaluate proposals
Solicit premium quotes from those who submitted bids	January 2013	Bids and premium quotes from potential QHPs
Complete certification process of QHPs	April 2013	Finish negotiations, complete contracts, and announce QHPs
Complete plan readiness reviews	July 2013	Test enrollment interfaces with plans, review member materials, test financial reconciliation, cross-functional implementation sessions with plans

Issue announcement on the selection of QHPs to the public	July 2013	Public announcement on selection of QHPs
Monitor the QHPs for practices, conduct, pricing, and products inside and outside the exchange	Beginning January 1, 2014 and ongoing	Performance reports in coordination with OIC

Call Center (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Meet with OIC to discuss functionality and lessons learned from the Statewide Health Insurance Benefits Advisors (SHIBA)	April 2011	Understand SHIBA: • How many calls a month? • Volunteers? • Training? • Online functions? • Funding/operational costs?
Meet with Medicaid officials to discuss existing call center system functions	May 2011	Understand: • What currently exists • What systems need to talk to each other to run call center
As part of the operational plan, identify needs and best approach to call center	October 2011-May 2012	Identify needs and approach for call center
Develop criteria for RFP to select a vendor to operate call center	June 2012	RFP
Release RFP for vendor	September 2012	Solicit bids
Receive vendor bids and responses	December 2012	Vendor bids
Select vendor to operate call center	February 2013	Selected vendor
Develop call center customer service representative protocols and scripts to respond to likely requests	February 2013	Protocols and scripts
Develop protocols for accommodating the hearing impaired and those with other disabilities and foreign language and translation services	February 2013	Protocols
Train call center representatives on eligibility verification and enrollment processes	March 2013	Understanding of eligibility systems and how they function
Launch call center	September 2013	800 number
Publicize call center through outreach campaign, website, etc.	September 2013	Outreach
Ongoing customer services monitoring	Ongoing	Performance report on call center

Exchange Website and Calculator (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Begin development of system requirements for online functions	March 2011	Business requirements for website
Release of federal guidance on exchange website and calculator	November 2011?	Guidance on how information might have to be presented
As part of operational plan, develop a system to ensure system development and operational development are coordinated	December 2011 – May 2012	Coordinated process
Use outreach and education consumer group to test information to be posted on informational website	May 2012	Consumer feedback
Submit content for information website to HHS for comment	September 2012	HHS feedback

Launch informational website	February 2013	Informational website online
Use outreach and education consumer group to test plan comparison tool	June 2013	Consumer feedback
Present website/calculator to TAC	July 2013	TAC recommendations
Present website/calculator to board	July 2013	Board recommendations
Incorporate feedback into website development	August 2013	Website complete
Launch fully functioning comparison tool with pricing information and online enrollment functionality	September 2013	Website available for comparisons and enrollment during open enrollment period
Continually update website based on consumer testing	Ongoing	Updated website and calculator

Quality Rating System (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Release of federal guidance on the quality rating system	November 2011?	Guidance on what quality rating system will be used to show quality of care offered by QHPs in the exchange
As part of operational plan, include quality rating system in criteria for certification of QHPs. Explore currently available information and options early with other organizations that collect and disseminate data, such as the Puget Sound Health Alliance	December 2011 – May 2012	Quality rating system criteria
Discuss with TAC whether additional requirements should be added to the federal design of the rating system	October 2011	Recommendations for board
Present TAC recommendations to board	November 2011	Board recommendations
Board votes on quality rating system requirements	November 2011	Board decision
Incorporate rating system into system and website development	January 2012-April 2013	Rating system established
Post quality ratings on exchange website prior to open enrollment	July 2013	Quality ratings on website
Continually update quality rating system as information from plans becomes available	Ongoing	Updated quality information

Navigator Program (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
As part of the outreach and education communications plan, consultant to review and make recommendations for the most effective use of the Navigator program and who navigators should be, including coordinating and differentiating with the role of producers	September-December 2011	Recommendations on role of Navigators
As part of the operational plan, include activities related to the Navigator program, including developing high level milestones and timeframes, performance measures, and how much money should be dedicated to the program	September-December 2011	Operational plan for Navigators
Receive federal guidance on Navigator program	November 2011?	Federal guidance
Present Navigator program plan to TAC	March 2012	TAC recommendations
Present Navigator program plan to board	May 2012	Use plan as basis for creating Navigator

		application
Create a list of potential organizations qualifying as a Navigator	June-July 2012	Potential Navigator organizations
Begin developing RFP for the Navigator program	September 2012	RFP
RFP released	November 2012	Bids received
Develop training program for Navigators	November 2012-March 2013	Training program for Navigators
Receive bids from potential Navigators	January 2013	Navigators for August 2013-December 2014 (17 month program)
Award contracts to Navigators for 2013-2014	March 2013	Navigators announced
Train Navigators	April 2013	Navigators ready to assist consumers
Begin Navigator program	August 2013	Program operational
Require quarterly reporting from Navigators on performance	November 2013; March 2014; June 2014; September 2014; December 2014	
Release RFP for 2015 Navigators	September 2014	Grants for calendar year 2015 (12 month program)
Grants awarded	November 2014	Announcement of 2015 Navigators
Training for Navigators	December 2014	Navigators ready to assist consumers
Release RFP for 2016 and beyond Navigator program	Annually in September 2015	Grants for calendar year 2016 and each year afterwards

Eligibility Determinations (Lead: Molly Voris, Exchange Project Manager and Manning Pellanda, Director of Eligibility and Enrollment, Medicaid) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Coordinate with Medicaid/CHIP eligibility teams and IT systems teams on possibilities for eligibility	Ongoing	Regular meetings with Medicaid teams
Coordinate with OIC on planning efforts	Ongoing	Regular meetings with OIC
Release of federal guidance on many aspects of eligibility determinations and requirements	June 2011?	Clearer understanding of eligibility processes
As part of operational plan and IT systems plan, build business requirements for eligibility system	June 2011-December 2012	IT systems and business functions in place
Work with Medicaid eligibility team to facilitate building of business rules for eligibility for Medicaid	June 2011-December 2012	Clear business rules across exchange and Medicaid
Consider options for handling churn between Medicaid and the exchange (and potentially BH) with Medicaid eligibility and IT systems teams	July-September 2011	Work group to catalogue options
Develop policy options on handling churn	July-September 2011	Present options
Present policy options to TAC	September 2011	TAC recommendations
Present policy recommendations to board	November 2011	Board recommendations
Include policy recommendations in report to Governor and Legislature	December 2011	Report to Governor and Legislature

Application and Notices (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Review federal requirements for applications and notices	November 2011?	Guidance on any required federal or exchange portions

As part of operational plan, develop requirements for exchange's applications and notices	November 2011-June 2012	Options for providing administrative functions for small businesses
Begin customizing federal applications and notices to meet state's need	December 2011-June 2012	Customized applications and notices
Receive input from outreach/education stakeholder group on draft applications and notices	July 2012	Stakeholder feedback
Test final applications and notices on stakeholder group and consumer	September-November 2012	Final applications and notices
Begin utilizing applications and notices to support eligibility and enrollment processes	August 2013	Use applications and notices for enrollment

Adjudication of Appeals of Eligibility Determinations (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Review existing programs and appeals processes for eligibility determinations	May-September 2011	Knowledge of existing programs and processes
Review federal requirements on appeals	November 2011?	Understanding of federal requirements
As part of operational plan, develop business processes and operational plan for appeals functions	November 2011-June 2012	Business processes for appeals
As part of operational plan, determine what resources are necessary to handle appeals	April-July 2012	Resource assessment
Establish resources to handle appeals of eligibility determinations, including training on eligibility requirements	September-November 2012	Build capacity to handle appeals
Receive input from outreach/education stakeholder group on appeals process	December 2012	Stakeholder feedback
Initiate communication with HHS on process for referring appeals to federal appeals process	May 2013	Agreement with HHS on referrals to federal appeals process
Begin receiving and adjudicating requests	August 2013	Functioning adjudication processes

Outreach and Education (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Continue to update the Health Care Authority's web page on the exchange (http://www.hca.wa.gov/hcr/exchange.html) to reflect the work being done during the planning process and any publications released	Ongoing	Information is available for the public
Continue to send notices via the Health Benefit Exchange listserv (sign-up available on the above web page) on: • Publication releases • RFP availability • Public meetings • Opportunities for public comment (publications, etc.)	Ongoing	Information is available for the public
Continue to meet with key stakeholders to ensure viewpoints are considered when exchange decisions are being made	Ongoing through April 2011	Stakeholder input
Begin to communicate through stakeholder meetings any decisions that are being made on the exchange	Being May 2011; ongoing	Communicating with stakeholders and receiving stakeholder input
Develop an RFP for development of a communications plan through 2014 that includes: • Phase I: Research and Planning - Research through focus groups and or surveys on people's knowledge,	May 2011	RFP for communications/advertising firm to create communications plan

concerns, information sources, etc. • Phase II: Outreach and Educational Materials Development - Plan for education and outreach to target audiences — Role of Navigators in outreach and education — Develop performance metrics and performance plan of education/outreach campaign • Phase III: Launch activities		
Release RFP for implementation of outreach and education campaign to include but not limited to: • Toolkit for outreach and educational activities, materials and informational video and advertisements • Media strategy with paid advertising, in-kind and free and/or co-op advertising opportunities • Launch strategy for public outreach and education campaign	June 2011	Bids for communications plan
Hire firm to develop and carry out communications plan	August 2011	Communications firm in place
Complete research phase of communications plan	September-December 2011	Understanding of people's knowledge and understanding
Create stakeholder group to get input on communications plan, educational materials, and marketing strategy	March 2012	Stakeholder feedback process
Complete planning phase of communications plan	January-May 2012	Plan for reaching target audience
Develop toolkit and design marketing campaign	June 2012-January 2013	Marketing materials
Launch outreach/education campaign	January 2013-December 2014	Ramp up toward open enrollment period
Identify ongoing outreach and education needs	March 2014	Ongoing needs
Provide ongoing outreach and education services	Ongoing	Ongoing outreach and education for exchange

SHOP-Specific Functions (Lead: Molly Voris, Exchange Project Manager) (for more information on system/operations requirements, please refer to the IT systems/business requirements work plan)

Activity	Timing	Outcome
Federal guidance on exchange role in aggregating premiums and other admin functions for small businesses (such as managing enrollment and billing)	June 2011?	Guidance on any federal or exchange roles
As part of operational plan, discuss simplifying enrollment and management of health insurance for small employers. Focus on experiences of Health Insurance Partnership and what can be learned from that program.	July-September 2011	Options for providing administrative functions for small businesses
Present recommendations to TAC	September 2011	TAC recommendations
Present recommendations to board	October 2011	Board recommendations
Develop system and operational processes for small businesses to have the exchange perform administrative duties in offering insurance. Consider possible assistance for helping small business qualify for the tax credits.	January-March 2012	Operational processes for small businesses
Hire staff to assist with small business functions	June 2012	Build staff capacity

Role of the Health Insurance Partnership (HIP) (Lead: Beth Walter, HIP Program Director, HCA and Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Create a work group with HIP and exchange staff to evaluate program overlap, experiences with HIP that may be valuable for exchange, and how the two programs might integrated	May 2011	Work group to study options
Consultant Amy Lischko to write brief on findings and options for resources in HIP that can be leveraged for the exchange and potential program integration	August-November 2011	Options for HIP and exchange
As part of operational plan, evaluate current HIP processes that could be leveraged for the exchange	May-December 2011	Options for using existing processes and knowledge
Present options for program integration to exchange TAC and HIP TAC	February 2012	Revised options to board
Present options for program integration to exchange board and HIP board	March 2012	Boards considerations
Boards makes recommendations on HIP integration	April 2012	Recommendations from both boards
Board includes recommendations in report to the Governor and Legislature	December 2012	Report to Governor and Legislature

Premium Aggregation/Cost-Sharing Administrative Functions for Individuals (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Federal guidance on premium tax credits/cost-sharing payments for individuals	June 2011?	Guidance on how payments would be routed
As part of operational plan, explore options for TPA to be the premium and cost-sharing reduction aggregator for individuals	July-October 2011	Exchange have a TPA to be individuals' premium aggregator and distributor
Present options to TAC	October 2011	Revised options for board
Present revised options to board	November 2011	Recommendations for legislature
Include board recommendations in report to Governor and Legislature	December 2011	Report to Governor and Legislature
If decision is made to have exchange play this role, begin process of securing vendor and building system capacity to meet this need	January-December 2012	RFP, vendor selection, system capacity for this function

Other Business Functions (John Specht, Interim IT Systems Manager)

The operational plan proposed in this grant will help to develop the programmatic aspects of the following areas. Currently, these business functions are being developed as part of our IT systems development as business requirements. The programmatic and IT systems components will be integrated over the next year to create a comprehensive business management system.

- Enrollment Process
- Exemptions from Individual Responsibility Requirement and Payment
- Premium Tax Credit and Cost-Sharing Reduction Administration
- Notification and Appeals of Employer Liability for the Employer Responsibility Payment
- Information Reporting to IRS and Enrollee
- Free Choice Vouchers

12. Delivery System Reforms

Short-Term Cost Containment/Payment Reform (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Consultant Michael Bailit to work with Puget Sound Health Alliance to identify additional information to be available in 2014 to consumers on performance and cost of care on insurers and providers through the exchange	September 2011-January 2012	Options brief
Present options to TAC	February 2012	Revise options based on TAC feedback
Present options to board	March 2012	Decisions on what should be included on website for 2014
Build information into portal infrastructure	October 2012-February 2013	Additional consumer information on cost and quality
Annual board review on additional cost/quality features	Annually; begin September 2014	Additional cost/quality features on exchange website

Longer Term Cost Containment/Payment Reform (Lead: Molly Voris, Exchange Project Manager)

Activity	Timing	Outcome
Write brief on concrete options that could be included in the exchange to improve delivery of care and encourage better payment	August-September 2012	Options brief
Use brief to present options to TAC	May 2012	TAC recommendations
Present brief to board	June 2012	Board recommendation for further study and analysis
Write report on options for specific actions, their cost, and how to implement in the exchange	August-December 2012	Report on specific options
Present report to TAC	February 2013	Revise report for board
Present report to board	April 2013	Recommendations to the legislature for cost containment/payment reforms in the exchange
Work with legislature to draft legislation on delivery system reforms within the exchange	July 2013	Draft legislation

Exchange IT Systems Work Plan

Washington is committed to developing an innovative and flexible health insurance exchange that leverages solution concepts and designs from early innovator grant states, and builds upon Washington State existing architectures.

Washington's proven tools, methodologies, and experience will make the health insurance exchange implementation a success with adequate resources. Washington's work planning tools and approach are intended to mitigate risk, manage issues throughout the project and keep the project on-track. These tools include a project charter, scope and project plan, and detailed work plan used to manage tasks and progress from the project's inception through project close. The detailed work plan includes notation of major milestones, deliverables, and status. The milestones are tied to the project phasing and major stakeholder review cycles. The project schedule is closely monitored to facilitate precise overall progress and quality management. Washington assesses performance by continuously tracking progress, scope, risks, issues, and budget, comparing actual results to planned results, and evaluating final output. This level of management is necessary and particularly true for a program of this size, complexity, and level of stakeholder involvement. Washington's work plan approach allows for:

- Breaking down the project scope into manageable work products and activities
- Estimating effort of the work product and activity level reconciling work against resource availability

- Review and assessment of early innovator state's solution components as they become available to determine applicability and level of fit for Washington
- Integrating best practices and lessons learned from early innovator state's solution approaches
- Developing the project schedule (including constraints and dependencies)
- Establishing project milestones and review / exit gates
- Managing the project tasks, schedule, and status
- Identifying issues and resolving them in a timely manner
- Identifying and mitigating project risks throughout the project

Washington's work plan was developed using its proven System Development Life Cycle (SDLC) methodologies and tools. More importantly, the estimates were based on the following:

- Washington team's collective experience implementing comparable projects within the state
- Our current understanding of the exchange business functions and the IT requirements that are required to support these functions
- A review of the estimated effort from other early innovator state applications of Oregon, Oklahoma, and Wisconsin and comparing estimates to Washington
- Findings from the IT Gap Analysis and the effort required to implement the target architecture, software, and hardware
- Iterative development of the various technology components while leveraging solution concepts and designs from early innovators states and including best practices and lessons learned from early states

Structured Timeline – A Phased Approach

Given the timeframe to implement the health insurance exchange, Washington proposes a two-phase, iterative development approach commencing on October 2011, with the final release being implemented in June 2013, and ready for Operational Readiness Review in July 2013. The major milestones will be tied to the project phasing, key deliverables, and major stakeholder reviews.

Washington's phased approach will reduce project risk and will help the team successfully complete the exchange system project on time, on budget, and in a way that provides for quality work products. Washington plans on developing high level business and technical requirements that will be documented and prioritized for implementation across various phases. Washington is currently and will continue to work closely with Wisconsin and other Early Innovator States to understand their business and technical requirements and solution concepts, and determine their applicability to Washington's technical environment. Furthermore, Washington is planning on procuring the services of a System Integrator who will work closely with the state program and IT staff to help with the design, development, and implementation of the exchange. It is envisioned that each phase of iterative development will build upon the functionality and the system components from the prior phase. The infrastructure (hardware/software) and core framework components such as security architecture, correspondence architecture, business rules engine, interfaces architecture, and workflow architecture are expected to implemented during the first phase. In addition, a limited set of the exchange solution components that have fairly well defined requirements, limited dependencies and that can leverage the core framework components will be implemented. Phase two will include the remainder of the exchange solution components. A critical success factor during the design and development would be the integration between various system components internal to the exchange as well as the integration to the state Medicaid Systems and other external verification sources. Washington plans on dedicating significant effort on these integration efforts to minimize implementation related risks.

Washington plans to finalize the components for each release by the summer of 2011. The following table identifies the components that are slated for each of the two phases.

Phase	Component	Functions
Phase One (Completion Oct 2012)	Technical Infrastructure and Framework Components	• Environment Set Up • Correspondence Architecture • Business Rules Engine • Enterprise Service Bus • Presentation Services • Navigation • Audit • Logging • Event Management
	Exchange Website	• Individual Identity Management • Employer Registration • Inquiry • Plan product submission
	Administration	• Grievance and Appeals Management • Plan rating • Certification, Recertification and Decertification of plans
	Call Center	• IVR/Chat/Help
	Enrollment/Disenrollment	• Plan Comparison
Phase Two (Completion June 2013)	Eligibility	• MAGI • Medicaid Eligibility/Integration including initial and ongoing eligibility and renewals • Premium Tax Credits, Cost sharing • HHS and Third Party Verification • Individual Exemptions • Small business qualification
	Enrollment/Disenrollment	• Applying for coverage • Plan Management • Open enrollment management • Continuity of Coverage
	Correspondences and Notifications	• All functions
	Reporting	• All functions
	Administration	• Quality of performance • Exchange Performance Evaluation • Fraud Detection
	Financial Management	• All functions
	Inquiry	• All functions

Key Tasks and Activities

The attached high level work plan IT Work Plan tracks the key tasks and activities across all SDLC phases. The timeline is based on a two-phase schedule, with the planning and high level requirements phase shared across all phases. Once the requirements are further elaborated and vetted and the scope is finalized, the project work plan may be adjusted to address additional dependencies and defined details (e.g. realigning business functions within releases). In addition, the timeline is based on some key assumptions. For example, Washington assumes that other external data exchange partners will be able to deliver their interface tasks/deliverables within the allotted timeframe. Changes in assumptions will impact the final work plan and timeline.

Key Milestones and Deliverables

As defined in the Project Narrative, Washington will provide deliverables to CCIIO during each of the SDLC phases. All the required lifecycle reviews with CCIIO are clearly indicated by review milestones on the work plan and the corresponding

deliverables requested will be completed prior to the milestone. Washington will also employ a quality assurance team to review key deliverables and work products, and monitor/measure progress towards project milestones.

Resources

The success of the delivery of the exchange hinges on the collaborative effort of the following teams:

- Washington Health Care Authority (HCA)
- Washington Department of Social and Health Services
- Washington Department of Information Services
- ACES, Washington Connection, and ProviderOne system maintenance vendors
- Client Hub vendor
- Early Requirements Facilitation (to leverage the partnerships with other Early Innovator State's requirements and components)
- A System Integrator and Architect with the breadth of knowledge to develop and integrate a series of end-to-end Core Area Components for cohesive functionality
- Work Flow and Business Rules Engine Integrator
- Other State Contractors supporting implementation of the exchange

Summary

The proposed IT work plan for the exchange is detailed, thorough, achievable, and directly tied to the organization chart and proposed budget (which provides an allocation of costs of the health insurance exchange). The IT work plan clearly defines the project's timeline, key tasks, deliverables and milestones, and how resources will be balanced throughout the effort. All of the CCIIO required milestones are identified in the work plan. All of the tasks and activities required for design, development and implementation of the technologies to support the various exchange Core Business Functions have been included under the Core Area – Exchange IT systems. Furthermore, the other Exchange Core Business Functions that have IT impacts and their associated IT milestones have been called out separately for ease of review and are synchronized with the overall dates for the corresponding tasks under exchange IT systems.

Washington Grant Application: Health Insurance Exchange IT Work Plan

ID	Task Name	Duration	Start	Finish	Predece
0	**Washington Grant Application: Health Insurance Exchange IT Work Plan**	**778 days?**	**Mon 1/10/11**	**Wed 1/1/14**	
1	**Core Exchange Area - Exchange IT Systems**	**778 days?**	**Mon 1/10/11**	**Wed 1/1/14**	
2	**IT Project Management**	**719 days**	**Fri 4/1/11**	**Wed 1/1/14**	
3	Project Monitoring/Management	719 days	Fri 4/1/11	Wed 1/1/14	
4	Resource Management, Issue/risk Resolution, Scope Management, Status Reporting, Status Meetings and Financial Management	719 days	Fri 4/1/11	Wed 1/1/14	
5	PROJECT REVIEW MILESTONE: Prepare and Review IT Project Dashboard Reports	699 days	Fri 4/29/11	Wed 1/1/14	
6	**Project Initiation**	**124 days?**	**Mon 1/10/11**	**Thu 6/30/11**	
7	**Conduct IT Gap Analysis of Existing Systems and end goals of systems by 2014	59 days?	Mon 1/10/11	Thu 3/31/11	
8	**Complete review of product feasibility, viability and alignment with the Exchange goals and objectives	59 days?	Mon 1/10/11	Thu 3/31/11	
9	Assess Impact of IT Gap Analysis Recommendations	43 days	Fri 4/1/11	Tue 5/31/11	8
10	Prepare and Review Risk Analysis Deliverable	44 days	Mon 5/2/11	Thu 6/30/11	
11	Prepare and Review Alternatives Analysis Deliverable	43 days	Tue 5/3/11	Thu 6/30/11	
12	Develop IT Standards, Prepare and Review Concept of Operations Deliverable	43 days	Tue 5/3/11	Thu 6/30/11	
13	**Project Planning**	**67 days?**	**Wed 6/1/11**	**Thu 9/1/11**	
14	Establish PMO	66 days	Wed 6/1/11	Wed 8/31/11	
15	Create and Review Project Charter, Project Plan, Project Schedule, Scope Definition	66 days	Wed 6/1/11	Wed 8/31/11	
16	Create and Review Performance Measures, Risk Analysis, Release Plan, Communications Plan	66 days	Wed 6/1/11	Wed 8/31/11	
17	Create and Review Information Security Risk Assessment, Governance Model	66 days	Wed 6/1/11	Wed 8/31/11	
18	Create and Review Project Work Plan	66 days	Wed 6/1/11	Wed 8/31/11	
19	PROJECT REVIEW MILESTONE: Project Startup Review	1 day	Wed 8/31/11	Wed 8/31/11	
20	**Complete Security Risk Assessment and Release Plan	1 day?	Thu 9/1/11	Thu 9/1/11	19
21	**Requirements**	**88 days?**	**Mon 5/2/11**	**Wed 8/31/11**	
22	**Requirements Prioritization**	**88 days?**	**Mon 5/2/11**	**Wed 8/31/11**	
23	Finalize Criteria for High-level Business Requirements Prioritization	22 days	Mon 5/2/11	Tue 5/31/11	
24	**Develop High Level Business and System Requirements**	**43 days**	**Mon 5/2/11**	**Wed 6/29/11**	
25	Eligibility	43 days	Mon 5/2/11	Wed 6/29/11	
26	Enrollment/Disenrollment	43 days	Mon 5/2/11	Wed 6/29/11	
27	Correspondence and Notifications	43 days	Mon 5/2/11	Wed 6/29/11	
28	Call Center	43 days	Mon 5/2/11	Wed 6/29/11	
29	Exchange Website	43 days	Mon 5/2/11	Wed 6/29/11	
30	Inquiry	43 days	Mon 5/2/11	Wed 6/29/11	
31	Reporting	43 days	Mon 5/2/11	Wed 6/29/11	
32	Administration	43 days	Mon 5/2/11	Wed 6/29/11	
33	Financial Management	43 days	Mon 5/2/11	Wed 6/29/11	
34	Security	43 days	Mon 5/2/11	Wed 6/29/11	
35	Prepare and Review Architecture Diagrams	42 days?	Mon 5/2/11	Tue 6/28/11	
36	PROJECT REVIEW MILESTONE: Architecture Review	0 days	Wed 6/29/11	Wed 6/29/11	35
37	**Complete Preliminary Business and System Requirements and develop an Architectural and Integration Framework	1 day?	Wed 6/29/11	Wed 6/29/11	36
38	Develop SDLC Implementation Plan	43 days?	Mon 5/2/11	Wed 6/29/11	
39	**Complete Systems Development Lifecycle Implementation Plan	1 day?	Thu 6/30/11	Thu 6/30/11	38
40	Prepare and Review Acquisition Strategy	44 days?	Mon 5/2/11	Thu 6/30/11	
41	PROJECT REVIEW MILESTONE: Project Baseline Review	44 days?	Mon 5/2/11	Thu 6/30/11	
42	Review notice of proposed rule making and make additional changes	43 days?	Wed 6/1/11	Fri 7/29/11	
43	Prioritize High-level Business Requirements for Implementation	15 days	Mon 8/1/11	Fri 8/19/11	42
44	Group High-level Business Requirements into Implementation	7 days	Tue 8/23/11	Wed 8/31/11	43
45	**Procurement**	**88 days?**	**Wed 6/1/11**	**Fri 9/30/11**	
46	Develop the RFP for System Integration	43 days?	Wed 6/1/11	Fri 7/29/11	
47	Release the RFP	0 days	Fri 7/29/11	Fri 7/29/11	46
48	Vendor responds to RFP	1 day?	Wed 8/24/11	Wed 8/24/11	47
49	Review Proposals and Select Integrator	10 days?	Fri 8/26/11	Thu 9/8/11	48
50	Finalize Integrator Contract	16 days?	Fri 9/9/11	Fri 9/30/11	49
51	**Phase 1**	**588 days?**	**Thu 3/3/11**	**Mon 6/3/13**	
52	**High Level Design**	**40 days?**	**Mon 10/3/11**	**Fri 11/25/11**	
53	Develop and Review System Security Plans, Test Plans, Requirements Traceability Matrix, Logical Data Model, Data Use Agreements, Technical Architecture Diagrams	40 days?	Mon 10/3/11	Fri 11/25/11	
54	PROJECT REVIEW MILESTONE: Preliminary Design Review	40 days?	Mon 10/3/11	Fri 11/25/11	
55	**Complete Preliminary Detailed Design and System Requirements Documentation	0 days	Fri 11/25/11	Fri 11/25/11	54
56	**Detailed Design**	**46 days?**	**Tue 11/29/11**	**Tue 1/31/12**	**52,55**
57	**Prepare and Review System Design Documents**	**45 days?**	**Tue 11/29/11**	**Mon 1/30/12**	
58	User Interface, Navigation and Framework Components	45 days?	Tue 11/29/11	Mon 1/30/12	
59	Identity Management	45 days?	Tue 11/29/11	Mon 1/30/12	
60	Employer Registration	45 days?	Tue 11/29/11	Mon 1/30/12	
61	Grievance and Appeals Management	45 days?	Tue 11/29/11	Mon 1/30/12	
62	Call Center	45 days?	Tue 11/29/11	Mon 1/30/12	
63	Plan Submission and Rating	45 days?	Tue 11/29/11	Mon 1/30/12	
64	Plan Comparison and Selection	45 days?	Tue 11/29/11	Mon 1/30/12	
65	Security	45 days?	Tue 11/29/11	Mon 1/30/12	
66	PROJECT REVIEW MILESTONE: Detailed Design Review	45 days?	Tue 11/29/11	Mon 1/30/12	
67	Prepare and Review Interface Control Documents	45 days?	Tue 11/29/11	Mon 1/30/12	
68	Conduct Database Design	45 days?	Tue 11/29/11	Mon 1/30/12	

ID	Task Name	Duration	Start	Finish	Predece
69	Prepare and Review Database Design Document(s), Data Management Plan, Data Conversion Plan	45 days?	Tue 11/29/11	Mon 1/30/12	
70	PROJECT REVIEW MILESTONE: Final Detailed Design Review	1 day?	Tue 1/31/12	Tue 1/31/12	
71	**Finalize IT and Integration Architecture	1 day?	Thu 3/3/11	Thu 3/3/11	
72	**Complete Final Business Requirements and Interim Detailed Design	1 day?	Thu 3/3/11	Thu 3/3/11	
73	**Construction and Unit/Integration Testing**	**64 days?**	**Wed 2/1/12**	**Mon 4/30/12**	**56**
74	Set up Database, Coding workspace and Configuration Management	64 days?	Wed 2/1/12	Mon 4/30/12	
75	Testing	64 days?	Wed 2/1/12	Mon 4/30/12	
76	Complete Construction and Unit Testing	64 days?	Wed 2/1/12	Mon 4/30/12	56
77	**Conduct Builds and Perform Integration Testing**	**547 days?**	**Fri 4/29/11**	**Mon 6/3/13**	
78	**System Testing and Support**	**262 days?**	**Fri 4/29/11**	**Mon 4/30/12**	
79	Prepare and Review System Test Plan	22 days?	Thu 3/1/12	Fri 3/30/12	
80	Prepare and Review System Test Scenarios	21 days?	Mon 4/2/12	Mon 4/30/12	79
81	Perform System Testing of Scenarios	44 days?	Fri 4/29/11	Wed 6/29/11	
82	**Complete Initial development of baseline system including software, hardware, interfaces, code reviews, and unit-level testing.	0 days	Wed 6/29/11	Wed 6/29/11	81
83	**User Acceptance Testing (UAT) and Support**	**108 days?**	**Tue 5/1/12**	**Thu 9/27/12**	
84	Prepare and Review UAT Test Plan	22 days?	Tue 5/1/12	Wed 5/30/12	80
85	Prepare and Review UAT Test Scenarios	21 days?	Fri 6/1/12	Fri 6/29/12	
86	**Perform UAT Testing of Scenarios**	**64 days?**	**Mon 7/2/12**	**Thu 9/27/12**	**85**
87	Test all Phase 1 components	64 days?	Mon 7/2/12	Thu 9/27/12	
88	Prepare and Review Test Case Specifications	64 days?	Mon 7/2/12	Thu 9/27/12	
89	Prepare and Review Test Summary Report	64 days?	Mon 7/2/12	Thu 9/27/12	
90	Prepare and Review Defects Report and Security Testing Results	64 days?	Mon 7/2/12	Thu 9/27/12	
91	**Production Environment Set up**	**177 days?**	**Fri 9/28/12**	**Mon 6/3/13**	
92	Install Production Hardware and Software	24 days?	Fri 9/28/12	Wed 10/31/12	
93	Release software to production and conduct dry run	24 days?	Fri 9/28/12	Wed 10/31/12	
94	**Launch plan management and bid evaluation system to allow upload of qualified health plan bids and other required information.	1 day?	Wed 1/2/13	Wed 1/2/13	
95	**Launch call center functionality and publicize 1-800 number.	1 day?	Mon 6/3/13	Mon 6/3/13	
96	**Implementation Readiness Activities**	**1 day?**	**Fri 12/28/12**	**Fri 12/28/12**	**83**
97	Prepare and Review Contingency Plan, Inter/Intra-agency agreements, change management plans and materials, Deployment plan, User Manuals, Operations and Maintenance Manuals, Training Plan	1 day?	Fri 12/28/12	Fri 12/28/12	
98	**Phase 2**	**414 days?**	**Wed 2/1/12**	**Mon 9/2/13**	
99	**High Level Design**	**64 days?**	**Wed 2/1/12**	**Mon 4/30/12**	**56**
100	Develop and Review System Security Plans, Test Plans, Requirements Traceability Matrix, Logical Data Model, Data Use Agreements, Technical Architecture Diagrams	63 days?	Wed 2/1/12	Fri 4/27/12	
101	PROJECT REVIEW MILESTONE: Preliminary Design Review	63 days?	Wed 2/1/12	Fri 4/27/12	
102	**Complete Final requirements documentation (including System Design, Interface Control, Data Management, & Database Design)	1 day?	Mon 4/30/12	Mon 4/30/12	101
103	**Detailed Design**	**65 days?**	**Tue 5/1/12**	**Mon 7/30/12**	**99**
104	**Prepare and Review System Design Documents**	**64 days?**	**Tue 5/1/12**	**Fri 7/27/12**	
105	MAGI	64 days?	Tue 5/1/12	Fri 7/27/12	
106	Premium Tax Credits, Cost Sharing	64 days?	Tue 5/1/12	Fri 7/27/12	
107	Free Choice Vouchers	64 days?	Tue 5/1/12	Fri 7/27/12	
108	Individual Exemption	1 day?	Fri 7/27/12	Fri 7/27/12	
109	Small business qualification	64 days?	Tue 5/1/12	Fri 7/27/12	
110	Verification Interfaces with HHS	1 day?	Fri 7/27/12	Fri 7/27/12	
111	Interfaces with State Third Party Data Sources	1 day?	Fri 7/27/12	Fri 7/27/12	
112	Financial Management	64 days?	Tue 5/1/12	Fri 7/27/12	
113	Plan Enrollment and Disenrollment	64 days?	Tue 5/1/12	Fri 7/27/12	
114	Premium Management	64 days?	Tue 5/1/12	Fri 7/27/12	
115	Reporting	64 days?	Tue 5/1/12	Fri 7/27/12	
116	Correspondences and Notifications	64 days?	Tue 5/1/12	Fri 7/27/12	
117	Plan Maintenane	64 days?	Tue 5/1/12	Fri 7/27/12	
118	Employer Plan Selection and Employee Management	64 days?	Tue 5/1/12	Fri 7/27/12	
119	Prepare and Review Interface Control Documents	64 days?	Tue 5/1/12	Fri 7/27/12	
120	Conduct Database Design	64 days?	Tue 5/1/12	Fri 7/27/12	
121	Prepare and Review Database Design Document(s), Data Management Plan, Data Conversion Plan	64 days?	Tue 5/1/12	Fri 7/27/12	
122	PROJECT REVIEW MILESTONE: Final Detailed Design Review	64 days?	Tue 5/1/12	Fri 7/27/12	
123	**Complete Preliminary and Interim development of baseline system and review and ensure compliance with business and design requirements.	1 day?	Mon 7/30/12	Mon 7/30/12	122
124	**Construction and Unit/Integration Testing**	**108 days?**	**Tue 7/31/12**	**Thu 12/27/12**	**103**
125	Set up Database	107 days?	Wed 8/1/12	Thu 12/27/12	
126	Set up Coding Workspace and Configuration Management	107 days?	Wed 8/1/12	Thu 12/27/12	
127	Complete Construction and Unit Testing	108 days?	Tue 7/31/12	Thu 12/27/12	
128	Conduct Builds and Perform Integration Testing	106 days?	Thu 8/2/12	Thu 12/27/12	
129	**Complete Final development of baseline system including software, hardware, interfaces, code reviews, and unit-level testing	1 day?	Fri 12/28/12	Fri 12/28/12	128
130	**Complete testing of all system components including data, interfaces, performance, security, and infrastructure.	1 day?	Fri 12/28/12	Fri 12/28/12	128
131	**System Testing and Support**	**109 days?**	**Mon 10/1/12**	**Thu 2/28/13**	
132	Prepare and Review System Test Plan	23 days?	Mon 10/1/12	Wed 10/31/12	
133	Prepare and Review System Test Scenarios	40 days	Fri 11/2/12	Thu 12/27/12	132
134	Perform System Testing of Scenarios	43 days?	Tue 1/1/13	Thu 2/28/13	133
135	**User Acceptance Testing (UAT) and Support**	**151 days?**	**Thu 11/1/12**	**Thu 5/30/13**	
136	Prepare and Review UAT Test Plan	22 days?	Thu 11/1/12	Fri 11/30/12	
137	Prepare and Review UAT Test Scenarios	43 days?	Mon 12/3/12	Wed 1/30/13	136

ID	Task Name	Duration	Start	Finish	Predece
138	Perform UAT Testing of Scenarios	65 days?	Thu 2/28/13	Wed 5/29/13	
139	Prepare and Review Test Case Specifications	63 days?	Mon 3/4/13	Wed 5/29/13	
140	Prepare and Review Test Summary Report	63 days?	Mon 3/4/13	Wed 5/29/13	
141	Prepare and Review Defects Report and Security Testing Results	63 days?	Mon 3/4/13	Wed 5/29/13	
142	**Complete final user testing – including testing of all interfaces	1 day?	Thu 5/30/13	Thu 5/30/13	141
143	**Production Environment Set up**	**44 days?**	**Mon 6/3/13**	**Thu 8/1/13**	
144	Install Production Hardware and Software	20 days?	Mon 6/3/13	Fri 6/28/13	
145	Release software to production	15 days?	Mon 6/3/13	Fri 6/21/13	
146	Conduct production test dry run	24 days?	Fri 6/28/13	Wed 7/31/13	
147	**Prepare and deploy all system components to production environment. Obtain security accreditation.	1 day?	Thu 8/1/13	Thu 8/1/13	146
148	**Implementation Support**	**65 days?**	**Mon 6/3/13**	**Fri 8/30/13**	**138**
149	Prepare and Review Contingency Plan, Inter/Intra-agency agreements, change management plans and materials, Deployment plan, User Manuals, Operations and Maintenance Manuals, Training Plan	64 days?	Mon 6/3/13	Thu 8/29/13	
150	Review and Update Inter/Intra-agency Agreement(s)	64 days?	Mon 6/3/13	Thu 8/29/13	
151	Review and Update Pre-Implementation and Implementation Checklist	64 days?	Mon 6/3/13	Thu 8/29/13	
152	**Complete pre-operational readiness review to validate readiness of all system components. Complete end-to-end testing and security control validations.	1 day?	Fri 8/30/13	Fri 8/30/13	151
153	**Call Center Go Live**	**1 day?**	**Mon 9/2/13**	**Mon 9/2/13**	**152**
154	**Launch call center functionality and publicize 1-800 number. Prominently post information on the Exchange website related to contacting the call center for assistance	1 day?	Mon 9/2/13	Mon 9/2/13	
155	**Maintenance and Operations**	**1 day?**	**Wed 1/1/14**	**Wed 1/1/14**	
156	**Support business operations and maintenance of all systems components.	1 day?	Wed 1/1/14	Wed 1/1/14	
157	**Core Exchange Area- Exchange Website and Calculator**	**695 days?**	**Tue 3/1/11**	**Mon 10/28/13**	
158	**Begin Developing Requirements for System Requirements and Program Operations including: requirements related to online comparison of health plans, requirements related to online application and selection of health plans	304 days?	Tue 3/1/11	Fri 4/27/12	
159	**Begin Developing Requirements for System Requirements and Program Operations including: Premium tax credits and cost sharing reduction calculator functionality, request for assistance, linkages to other state health subsidy programs, and other health a	304 days?	Tue 3/1/11	Fri 4/27/12	
160	**Begin Systems Development	173 days?	Wed 2/1/12	Fri 9/28/12	
161	**Submit content for informational website to HHS for comment	108 days?	Mon 10/1/12	Wed 2/27/13	160
162	**Launch information exchange website.	43 days?	Tue 1/1/13	Thu 2/28/13	
163	** Collect and Verify Plan data for comparison tool	41 days?	Fri 2/1/13	Fri 3/29/13	
164	**Test Plan comparison tool with consumers and stakeholders.	63 days?	Mon 4/1/13	Wed 6/26/13	163
165	** Launch comparison tool with pricing information but without online enrollment function	66 days?	Mon 7/29/13	Mon 10/28/13	164
166	**Core Exchange Area- Eligibility Determinations**	**608 days?**	**Tue 3/1/11**	**Thu 6/27/13**	
167	**Begin Developing Requirements including requirements on the exchange side and in OASSHP's to support enrollment transactions and eligibility referrals	304 days?	Tue 3/1/11	Fri 4/27/12	
168	**Begin Systems Development	173 days?	Wed 2/1/12	Fri 9/28/12	
169	** Complete Systems Development and prepare for final user testing	175 days?	Tue 5/1/12	Mon 12/31/12	
170	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
171	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
172	**Core Exchange Area- Enrollment Process**	**584 days?**	**Tue 3/1/11**	**Fri 5/24/13**	
173	**Begin Developing Requirements for System Requirements and Program Operations including: providing customized plan information for individuals, submitting enrollment transactions to QHP issuers, receving acknowledgement of enrollment tran from QHP issuer	304 days?	Tue 3/1/11	Fri 4/27/12	
174	**Begin Systems Development	173 days?	Wed 2/1/12	Fri 9/28/12	
175	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	174
176	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
177	**Core Exchange Area- Exemptions from Individual Responsibility Requirement and Payment**	**742 days?**	**Tue 3/1/11**	**Wed 1/1/14**	
178	**Begin Developing Requirements for System Requirements and Program Operations including: accepting requests for exemptions, reviewing and adjudicating requests and exchanging relevant info with HHS	304 days?	Tue 3/1/11	Fri 4/27/12	
179	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	
180	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	179
181	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
182	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
183	*** Begin processing exemptions from individual responsibility	109 days?	Fri 8/2/13	Wed 1/1/14	
184	**Core Exchange Area- Premium Tax Credit and Cost Sharing Reduction Administration**	**742 days?**	**Tue 3/1/11**	**Wed 1/1/14**	
185	**Begin Developing Requirements for System Requirements and Program Operations including: providing relevant info to QHP issuers and HHS to start, stop, or change the level of premium tax credits, and cost sharing reductons	304 days?	Tue 3/1/11	Fri 4/27/12	
186	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	
187	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	186
188	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
189	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	

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ID	Task Name	Duration	Start	Finish	Predece
190	*** Begin submittingtax credit and cost sharing reduction information to QHP issers and HHS	109 days?	Fri 8/2/13	Wed 1/1/14	
191	**Core Exchange Area- Notification and appeals of employer liability for the employer responsibility payment**	**742 days?**	**Tue 3/1/11**	**Wed 1/1/14**	
192	**Begin Developing Requirements for System Requirements and Program Operations including: coordination of employer appeals with appeals of individual eligibility, and submission of relevant data to HHS	304 days?	Tue 3/1/11	Fri 4/27/12	
193	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	
194	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	193
195	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
196	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
197	*** Begin Notifying employers in coordination with eligibility determinations	109 days?	Fri 8/2/13	Wed 1/1/14	
198	**Core Exchange Area- Information Reporting to IRS and Enrollee**	**608 days?**	**Tue 3/1/11**	**Thu 6/27/13**	
199	**Begin Developing Requirements for System Requirements and Program Operations including reporting to employers and managing financial components of free choice vouchers and generating reports to employees	304 days?	Tue 3/1/11	Fri 4/27/12	
200	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	
201	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	200
202	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
203	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
204	**Core Exchange Area- Free Choice Vouchers**	**742 days?**	**Tue 3/1/11**	**Wed 1/1/14**	
205	**Begin Developing Requirements for System Requirements and Program Operations including reporting to employers and managing financial components of free choice vouchers	304 days?	Tue 3/1/11	Fri 4/27/12	
206	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	99SS
207	** Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	206
208	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
209	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
210	**Process in place to notify employers regarding individuals eligibility for Free Choice Voucehrs, collect funds from an employer, apply funds to an individuals purchase of a qualified health plan, and refund excess funds to an individual	109 days?	Fri 8/2/13	Wed 1/1/14	
211	**Core Exchange Area - SHOP Specific Functions**	**742 days?**	**Tue 3/1/11**	**Wed 1/1/14**	
212	**Begin Developing Requirements for System Requirements and Program Operations	304 days?	Tue 3/1/11	Fri 4/27/12	
213	**Begin Systems Development	109 days?	Tue 5/1/12	Fri 9/28/12	99SS
214	**Complete Systems Development and prepare for final user testing	66 days?	Mon 10/1/12	Mon 12/31/12	206
215	**Begin final user testing including testing all interfaces	61 days?	Fri 3/1/13	Fri 5/24/13	
216	**Complete user testing including end to end integration with other components	85 days?	Fri 3/1/13	Thu 6/27/13	
217	**Begin enrolling employees of small businessess into qualified health plans	109 days?	Fri 8/2/13	Wed 1/1/14	147