

PROJECT ABSTRACT

Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges
Washington State Health Benefit Exchange
Center for Consumer Information and Insurance Oversight
FOA: IE-HBE-11-004

Project Director: Molly Voris

Washington State Health Benefit Exchange
626 8th Avenue SE
P.O. Box 42710
Olympia, WA 98504-2710
(360) 725-0854
molly.voris@hca.wa.gov

Congressional Districts Served: Senators Cantwell and Murray; WA Congressional Districts 1-9
Level Two Cooperative Agreement Funding Request
May 23, 2012 - December 31, 2014

Overview: The Washington State Health Benefit Exchange (Exchange) is applying for Level Two Establishment funding from CCIO to accomplish the activities necessary so that the Exchange can meet certification requirements in January 2013, the provision of coverage to enrollees by January 2014, and self-sustainability by January 2015. Washington State has met the required benchmarks for Establishment Two funding as documented in its full proposal.

History of Organization: The Exchange was established during the 2011 legislative session by passage of [Senate Bill 5445](#) and holds bipartisan support as a “public private partnership separate and distinct from the state.” This Bill established the process for naming a bipartisan, 11-member governing Board, which was nominated by the Legislature and appointed on December 15, 2011 by Governor Gregoire. The Exchange Board assumed its responsibilities on March 15, 2012 and held its first meeting on that date. Prior to this, the Health Care Authority was responsible for planning activities related to the Exchange.

Populations Served by Project: All uninsured individuals and potentially others. Estimates range from 175,000 to 500,000.

Proposed Projects and Deliverables: The requested funding would provide assistance to hire staff and consultants to manage activities related to the creation and on-going operations of the Exchange. In addition, a substantial portion of the requested funding would be used to develop an IT system that facilitates critical Exchange functions. These include eligibility, enrollment, and information exchange among individuals, employers, insurance carriers, and state and federal government agencies.

Proposed Impact of the Funding: Level Two Establishment funding is critical for moving forward with the development and implementation of the Exchange. Without the requested funding, Washington State would not be able to proceed with the development of the Exchange.

PROJECT NARRATIVE

i. PROGRESS TO DATE

Washington State has made significant progress in establishing its state-based Exchange. Based on the activities completed to date, the State is on schedule to ensure the establishment of a fully functional Exchange by January 1, 2014, along with meeting HHS' requirements and milestones for Establishment Level Two grant funding.

As documented in this Progress to Date section, Washington State has met the Establishment Level Two readiness criteria as follows:

- 1) Washington State established the necessary legal authority as demonstrated by the passage of [Senate Bill 5445](#) during the 2011 legislative session. Further commitment by the State was demonstrated with the recent passage of [House Bill 2319](#) in 2012 detailing additional policy decisions for the Exchange;
- 2) A governance structure for the Exchange was provided in [Senate Bill 5445](#) and board members were [appointed](#) by the Governor and began meeting in March 2012;
- 3) A completed detailed budget through 2014 is included with this proposal;
- 4) An initial plan for the financial sustainability has been developed and is included in Attachment A of this proposal. In addition, [House Bill 2319](#) Sec. 4(2) requires that a plan for sustainability be submitted by the Exchange to the Legislature by December 1, 2012;
- 5) A plan outlining steps to prevent fraud, waste and abuse is included in Attachment B; and;
- 6) A plan describing the capacity of Washington State's Exchange to provide assistance to individuals and small businesses including plans for a call center is included in Attachment C.

1. Background Research

Washington State made significant progress towards the development of its Health Benefit Exchange in the area of Background Research using Planning Grant funds, and conducted additional research using Level One Establishment grant funding. Washington State Health Care Authority (HCA) drew upon the Office of Financial Management's (OFM) Washington State Population Survey to better understand the characteristics of the uninsured. The [2010 Population Survey](#), which provides data on sources of coverage and individual demographics, informed the Insurance Market Analysis conducted with Level One grant funds. In particular, the survey results illustrated which populations were likely to use the Exchange and Medicaid by identifying their insurance status, health status, and income levels.

HCA benefitted from the Health Resources and Services Administration's (HRSA) State Health Access Program (SHAP) grant, which allowed Washington State to work with the Urban Institute to tailor Medical Expenditure Panel Survey (MEPS) data. Having Washington-state specific data allowed HCA to further understand the health expenditures and utilization of the population likely to come into the Exchange.

With Planning Grant funding, HCA engaged Milliman consulting firm to develop a market impact analysis report that focused 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, and establishing a Federal Basic Health program. The [Report](#), *Planning Washington's Health Benefit Exchange – the potential impact of three key decisions* (June 2011) was undertaken to help Washington State's health care stakeholders understand the potential impact of these three decisions, as well as comprehend the potential dynamics of the new health care environment.

Planning grant funding also enabled HCA to contract with consultant Amy Lischko to analyze the option of including a Federal Basic Health program. She proposed a number of Washington State-specific [policy questions](#) and completed a [draft policy analysis](#) and a [final policy analysis](#) of the Federal Basic Health option. The Washington State Exchange Technical

Advisory Committee (TAC) provided feedback on the recommendations and [public comments](#) have been collected on the issue. Exchange Project Manager, Molly Voris, also briefed the Joint Select Committee on Health Reform Implementation on these issues.

In July 2011, using Level One Establishment grant funding, HCA engaged Wakely Consulting Group (Wakely) to assess Washington State's current resources, capabilities, needs and gaps related to the development of the Washington State Health Benefit Exchange. The [assessment report](#) identified which functional capabilities the State currently possesses which are necessary to operate the Exchange, and where gaps in functionality exist. It also provided recommendations as to how these gaps can best be filled, as well as which aspects of existing capabilities could be leveraged to support the Exchange.

2. Stakeholder Consultation

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. Washington State has therefore been committed to building communications with stakeholders throughout the planning, development and design phases of the Exchange.

Public Meetings: Stakeholder involvement regarding the Exchange has been present in Washington State beginning with the State's Planning Grant. In November 2010, HCA held an [open stakeholder meeting](#) to discuss Governor Gregoire's proposed legislation and major Exchange policy issues.

More recently, Washington State has held public education meetings, given presentations and hosted meetings with stakeholders interested in the Exchange. In September 2011, HCA staff travelled to Yakima, Seattle, Bellingham and Port Angeles to hold public education meetings on the Exchange. At each of the four meetings, staff presented an introduction regarding how the Exchange would affect individuals, families and small businesses followed by public questions and comments. Approximately 200 people in total attended these meetings.

Stakeholder Meetings and Conferences: Presentations and discussions were held with select organizations to discuss policy issues and to present issue papers. Richard Onizuka, HCA Health Policy Director, and Molly Voris met with the following organizations throughout the planning and establishment phase: Puget Sound Health Alliance, Washington State Insurance Commissioner's Health Care Reform Realization Committee, Washington State Bar Association, Association of Washington Business Health Care Committee, Seattle Children's Hospital administrators, Washington State Hospital Association, Washington State Health Underwriters, Healthy Washington Coalition, National Federation of Independent Businesses, Washington Policy Center, Washington Healthcare Forum, Washington State Health Insurance Pool Board, Washington Business Alliance, AARP, carriers, advocacy groups, veterans groups, and other employer groups.

Joint Select Committee on Health Reform: The [Joint Select Committee on Health Reform Implementation](#) (JSC) is a committee comprised of ten legislators tasked with guiding legislation and staying up-to-date with the health care reform implementation activities in Washington State. As part of the Level One Establishment grant, HCA provided funding for the Joint Committee to hold meetings throughout the state – July 26 in Olympia, September 28 in Spokane, October 13 in Wenatchee and November 8 in Vancouver. At each of these meetings, Molly Voris and Richard Onizuka presented a public education overview on the Exchange and provided updates about the progress made on various policy and implementation issues. Approximately 200 people in total attended these meetings.

American Indian Health Commission (AIHC): AIHC is a tribally-driven, non-profit organization that serves as a forum through which the 29 Federally-recognized Tribes and two Urban Indian Health Programs (UIHP) in Washington State address health issues and policies. AIHC has been used as a conduit to update Tribes and UIHP on Washington State's progress towards the core Exchange planning areas identified in the Level One Establishment grant work plan. Additionally,

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[Senate Bill 5445](#) called on the Exchange to consult with AIHC on Tribal issues. Through this work, Washington State gained a more comprehensive awareness of the overall Indian health delivery system and the number of under- and un-insured American Indian/Alaska Natives (AI/AN) eligible to enroll in the Exchange. This enabled Washington State to identify priority Exchange elements that Tribes, UIHP, and AIHC need to address during the Exchange’s Level Two Establishment grant phase.

Technical Advisory Committee: HCA established an [Exchange Technical Advisory Committee](#) (TAC) in July 2011 to assist in the development of Exchange policies. Members representing brokers, providers, small businesses, consumers, carriers, and tribal health have advised Washington State on such issues as the Federal Basic Health Program option, criteria for Qualified Health Plans, preventing adverse selection, and risk leveling. The TAC served in this advisory role through the policy development process.

Website and Electronic Mailing List: Washington State established an [Exchange website](#) where meeting notes, event information, legislation, and research/policy papers developed during the Planning grant and Level One Establishment grant periods were posted. In addition, an [Electronic Mailing List](#) is maintained for interested parties so website visitors can receive meeting notices and communications about the development of the Exchange.

Public Comment: All policy papers included an [iterative process](#) allowing for two public comment periods. First, before any research began, proposed policy questions were released for comment. After public comment, a final set of policy questions were developed. Once a draft policy brief was completed, it was posted to the website for additional public comment. Public comments on all policy papers were also posted on the Exchange website.

3. State Legislative/Regulatory Actions

In the 2011 legislative session [Senate Bill 5445](#) passed with bipartisan support establishing the Washington State Health Benefit Exchange as a “public private partnership separate and distinct from the state.” The Exchange is subject to the Open Public Meetings Act and the Public Disclosure Act, but not to “any other law or regulation generally applicable to state agencies.” This Bill established the process for naming a bipartisan, 11-member governing Board (described below under Governance).

HCA worked closely with Jonathan Seib, Executive Policy Advisor in the Governor’s office to produce a list of legislative priorities for the Exchange in 2012. This list included broad policy direction regarding criteria for Qualified Health Plans, market rules governing products sold inside vs. outside the Exchange, the Federal Basic Health Program option and the role of the Washington State Health Insurance Pool, the State’s high-risk pool. Washington State also completed preliminary review of HHS’s rulemaking regarding Essential Health Benefits and actuarial value and made recommendations on these policy issues to the legislature.

Early in the 2012 session, [House Bill 2319](#) was introduced at the joint request of Governor Gregoire and Insurance Commissioner Kreidler to address policy areas of the Exchange related to the issues noted above. Additionally, the Bill further provides additional detail regarding the “separate and distinct” nature of the Exchange entity by giving the Exchange Board (Board) the authority to govern as needed to establish and operate the Exchange. The Bill directs HCA to initiate the necessary design and development work for the Federal Basic Health Program option if sufficient funding is provided, and requires active engagement of the Board, Insurance Commissioner, stakeholders and interested organizations. Washington State’s analysis of the Federal Basic Health Plan option will be guided by the following considerations: certification standards in the ACA, maximizing transparency and minimizing administrative costs, and balancing plan premiums and health care provider rates to ensure a robust network of clinical providers. The Bill passed the Legislature and was signed by the Governor on March 23, 2012.

4. Governance

As directed by the enabling legislation, the two largest caucuses in each chamber of legislature nominated five potential board members with knowledge in the public and private health care system to the Governor. The Governor was directed to select two Board members from each list. On December 15, 2011, the Governor [named](#) the eight voting Board members from the caucus nominations, a ninth member as the Chair who only votes in the case of a tie, plus two non-voting ex-officio members (HCA Director or designee and the Insurance Commissioner or designee). The Board will establish an Advisory Committee consisting of health care industry officials and other stakeholders. The Board can also create technical advisory committees, as needed.

The [Board](#) held orientation meetings on January 5 and February 15 during which members received an overview of the Exchange planning and establishment to-date including updates on enabling legislation and bylaws. The orientation meetings also offered a series of facilitated discussions on the objectives of the Exchange.

On March 15, 2012, the Board held its first official meeting at which members discussed the Exchange objectives, approved bylaws and established subcommittees. The Board received updates on legislation, IT, branding and communications. Board members also participated in a presentation on Lessons Learned from Massachusetts' Exchange. In addition, the Board learned about the status of the Level Two Establishment grant proposal, and provided input into the plan and budget. The Board took public comment at this meeting. All agenda items and notes from these Board meetings can be found at the Exchange [website](#), as well as future board meeting dates scheduled through December 2012.

Before March 15, 2012, HCA was responsible for establishing the Exchange. HCA Exchange staff members have been engaged in designing the entity as a quasi-governmental organization, working through administrative issues with Washington State and consultants. The Exchange will initially establish a transitional Memorandum of Understanding with HCA that will allow Exchange staff members to remain HCA employees and use administrative services provided by HCA. In addition, Exchange staff members identified vendors who will provide human resources services (policies and procedures, maintaining personnel files, job recruitment, hiring/firing), accounting services (A/R, A/P), and payroll services to the Exchange entity once the Exchange separates completely from HCA. A certified public accounting firm will be used to develop the accounting system, design the chart of accounts, design financial reports, develop internal controls, and ensure compliance with the federal grant.

5. Program Integration

Washington State performed detailed business process documentation to reflect the current and future processes that would support the Exchange operational requirements. Washington State established a National Health Reform Steering Committee to serve in an advisory role for the infrastructure issues related to the Exchange and the Medicaid expansion. The Steering Committee is comprised of executive-level representatives from the Exchange, Governor's Office, OFM, HCA, Department of Social and Human Service (DSHS), and Office of the Insurance Commissioner (OIC). Given its unique role of coordinating health reform efforts in Medicaid and the Exchange, the Steering Committee is able to discuss issues and find solutions that best address the interests of the populations served by these multiple programs/agencies.

In addition, Washington State established several inter-agency workgroups comprised of senior staff from HCA, Medicaid, OIC, the Governor's Office, OFM, and DSHS. These workgroups have ensured alignment of priorities across agencies and provide continued opportunities for policy issues to be addressed during the planning and implementation phase of reform. Agency staff members have been involved in the design phase of the reform's implementation to ensure maximum alignment of programs. A Medicaid/Exchange integration work group, for example, has been focusing on specific options around eligibility, enrollment, transitions between types of coverage and delivery of care. This work group has been led by the Assistant Director of HCA for Eligibility and Service Delivery, and supported by the Medicaid Policy Manager in the Health Care Policy Division.

Adverse selection remains the primary concern regarding integration of the Exchange with the private market. HCA has worked cooperatively with OIC in discussing options for reducing adverse selection in individual and small group plans inside and outside of the Exchange. Additionally, the Exchange has worked with OIC to address plan management, complaints, Navigators, risk-adjustment, and reinsurance.

6. Exchange IT systems

Completed IT Gap Analysis: HCA engaged Cambria Solutions (Cambria) to complete an [IT Gap Analysis](#) completed in June 2011 and summarized in Section iii that identified existing capabilities and technologies in Washington State that could be used by the Exchange. The systems reviewed as part of the analysis included: eligibility determination infrastructure (ACES, Washington Connection, and Client Hub); enrollment infrastructure (ProviderOne); and the Washington State health information exchange funded by the Health Information for Economic and Clinical Health Act (HITECH)(One Health Port). The results of this analysis were used as a key input into Exchange architecture planning and included options such as whether to extend the ACES infrastructure to include a new eligibility service for the Exchange.

Collaborated with Other States and Initiatives: The IT project team collaborated with other states such as RI, MD, MN, OR, and CA through Exchange webinars, Collaborative Application Lifecycle Management Tool ([CALT](#)), conference calls, public information available on Exchange websites, and interaction with CCIO/CMS. All work products and deliverables for Washington State are posted to CALT. Members of the Exchange policy and IT project teams also participated in a UX2014 workshop in San Francisco to gain a better understanding of the design approach and assets available to support the Washington State Exchange.

Conducted Architecture Planning: Washington State used the results from the IT Gap Analysis, as well as subsequent discussions with other state system owners and trading partners to determine that a composite solution would be required. The overall Exchange solution therefore incorporates elements of custom-built elements, the acquisition of Software-as-a-Service (SaaS) components, configuration of Commercially-off-the-Shelf (COTS) solutions, outsourcing of functions, and potentially the development of hybrid elements.

Subsequent discussions with other state system owners yielded a more developed understanding of components that will be re-used and modified. Most significantly, Washington State's existing eligibility system for human services and Medicaid programs, ACES, will be expanded to include a new eligibility service for the Exchange. Furthermore, the current technology that supports Medicaid Managed Care enrollment may need to be modified so that information can be shared with individuals in the Exchange.

Developed Core Functional Requirements: Washington State convened workgroups to address the major functional areas for the Exchange and develop high-level functional requirements to be used in the procurement of a system integrator. In addition to writing technical requirements, process diagrams and narratives have been developed that depict key activities and data needed to complete each functional area, as well as roles, and areas targeted for automation. Functional areas include:

- **Individual Eligibility** - Application intake and screening, eligibility determination, eligibility renewal, and appeals processing.
- **Individual Enrollment** - Enrolling participants, renewing enrollment, and conducting enrollment reports.
- **Plan Management** - Acquiring, certifying, monitoring, renewing, and managing the withdrawal of qualified health plans and issuers.
- **Eligibility and Enrollment - SHOP** - Enrolling SHOP employers and employees, renewing enrollment, and producing enrollment reports.
- **Financial Management** - Advance Payments of the Premium Tax Credit (APTC), Cost Sharing Reductions (CSR), Premium Processing, Data Collection, and Issuer Payment Transfers.

- **Exchange Portal/User Experience** - Based on Enrollment 2014 UX Project design, and including some mobile functionality.
- **Administrative Functions** - Audit and Program Integrity, Reporting, Business Intelligence capabilities and Notices.

Functional teams for each area are managed by a functional lead taking responsibility for the overall effort in that area. Each team is responsible for working with the program development teams to understand developing policy and impacts to the Exchange solution. Each team must monitor, review, and evaluate the final rules and CCIO blueprint documents as they are published, and monitor technical developments at the Federal level, as well as progress in other states.

Developed the Exchange Technical Reference Model and Security Blueprint: Washington State convened workgroups to address the major technical areas for the Exchange, and also developed detailed requirements for the procurement of a system integrator. The technical teams developed the following:

- **Technical Reference Model** - The Technical Reference Model (TRM) is a key element of the Exchange enterprise architecture. Based on the technology vision for the Exchange, the TRM describes the Technology Services and the Logical Components that need to be provided to the functional areas of the Exchange by the Technology Architecture. The model defines, describes and organizes these services and provides some provisional guidance (standards and profiles) for their implementation.
- **Security Blueprint** - The Security Blueprint defines the overall security plan to ensure proper operations of the Washington State Exchange. The blueprint specifies the controls and practices that need to be in place in order to best protect the Exchange information, resources, stakeholders and customers from the adverse effects of mistakes, attacks, natural disasters or any other threat. This plan also ensures that the Exchange security program adheres to applicable security and privacy regulations and authorities, including:
 - The Federal Information Management Act (FISMA)
 - The Health Insurance Portability and Accountability Act of 1996 (HIPAA)
 - The Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH)
 - The Washington State IT Security Policy 400-P2 which addresses Washington State's laws and rules on IT security, notably [RCW 42.56.100 - Protection of public records – public access](#) and [RCW 42.56.420 - Security](#)
 - The federal tax information safeguarding requirements defined by the IRS in the Title 26 of the United States Code (U.S.C) section 6103
 - The Payment Card Industry (PCI) Data Security Standard for payment card processing (electronic payments)

Completed the CMS/CCIO Architecture Review: In September 2011, Washington State completed and presented the Architecture Review in which all elements required by the gate review were presented and discussed with CCIO. Washington State received and incorporated feedback from CMS/CCIO and received approval for the next stage of the Exchange Project.

Completed the CMS/CCIO Project Baseline Review: In December 2011, Washington State completed and presented the Project Baseline Review in which all elements required by the gate review were presented and discussed.

Decisions and information in this review were developed through the policy development requirements and PMO planning activities of the various project teams. Washington State received and incorporated feedback from CMS/CCIO.

Procured the Exchange System Integrator: In October 2011, Washington State developed a System Integrator (SI) vendor RFP with the objective of obtaining a Design, Development and Implementation (DDI) vendor to build the majority of the Exchange components with the exception of the customer service call center (to be obtained through a separate procurement), and the Eligibility Service (to be developed through the ACES maintenance contract). A contract specialist with deep experience in Washington State regarding large system procurements was added to the team to provide

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guidance. An RFP was developed and released in November 2011. A procurement evaluation team was formed with representatives from the functional requirements team, the Exchange program development team, the technical team, PMO, and Exchange and Medicaid expansion program/policy areas to evaluate SI vendor responses and oral presentations. On January 25, 2012, the State announced its Apparently Successful Vendor (ASV) as Deloitte Consulting LLP. Deloitte signed the SI contractor on March 26, 2012, and the contract is currently pending approval by CMS before the State signs it. The State met its aggressive schedule for announcing the ASV and incorporated flexibility within the RFP allowing the maximum time for DDI with provisions to adjust to changing requirements.

Established IT Decision Making Framework: The final decision-making framework was presented in the Project Baseline Review. The framework was modelled after a similar approach used successfully at Department of Social and Health Services (DSHS) on large scale, Federally-funded projects. The Exchange model consists of an Executive Steering Committee for decision-making and a Business Key Staff workgroup for completing analysis of key issues. Both groups include representatives from Washington State partner agencies affected by the Exchange including HCA, DSHS, OIC and OFM.

Expanded IT Project Team: As originally identified in the Level One Establishment grant application from Washington State, several key project positions are necessary to ensure the success of the overall Exchange Project. In recent months, Washington State has hired the following positions:

- Project Managers – Three IT project management positions have been hired, one Exchange IT Project Manager and two Deputy IT Project Managers. The overall IT Project Manager will be responsible for the successful delivery of all IT components of the Exchange Solution. One Deputy Project Manager will be dedicated to oversight of the Technical Team and the other will have direct oversight of the Functional Team and coordination with Exchange Operations.
- Contract Specialist – A dedicated Contract Specialist has been added to the overall Exchange Team to handle several IT procurements including the Systems Integrator, Quality Assurance (QA), and Independent Verification and Validation (IV&V).
- IT Specialists - Two additional IT Specialists have been brought to the Exchange team, one dedicated to the User Experience, Business Intelligence, and Reporting and the other dedicated to Data Modelling.

Considered Key Technical Decisions: As Washington State analyzed various technical options for implementing the Exchange by January 2014, the Exchange team considered several key technical decisions that may potentially affect project scope and the solicitation for an Exchange System Integrator. The following represent the top technical decisions that were considered:

- Eligibility Service – Because the eligibility rules and income standard for the Medicaid and CHIP programs are changing significantly under the ACA, Washington State considered what would be the most efficient and effective method for implementing automated eligibility determination under the new MAGI rules. After considering a range of technical options, the State decided a service-based DSHS architecture would be extended to perform the role of automated eligibility determination. In addition, the new eligibility service will provide key interfaces to automated state verification sources as well as automated eligibility notices.
- Hosting – Washington State will support a hosted Exchange solution through Secure 24, Deloitte's hosting subcontractor.
- Procurement Strategy – A variety of procurement options were considered and staff determined the best approach for IT procurement included all components (except the call center and eligibility services functions) in a single, flexible procurement.
- Software Development Lifecycle Methodology – After considering several software development methodologies to reduce risk and accelerate deployment, Washington State selected an AGILE system development methodology.
- Qualified Health Plan Enrollment – After conducting a thorough analysis, Washington State decided to use the Exchange to provide enrollment capabilities for individuals enrolling in Qualified Health Plans (QHPs) and for employees and employers to enroll through SHOP.

7. Financial Management

Washington State used Level One Establishment grant funding to contract with Wakely Consulting to provide a detailed examination of financial management and reporting necessary to support the Exchange as well as to develop a preliminary sustainability plan for the Exchange post-2014. This includes assessing the resources, needs and gaps to develop a financial management structure for the Exchange. The findings from this analysis informed a financial model for the Exchange that projects revenue and expenses over the next five years and estimates the resources the Exchange will need to fund ongoing operations. The Exchange will be responsible for not only managing federal grant funds, but also its own sustainability starting in 2015. The model allows for flexibility so as the design of the Exchange becomes more detailed, the model is easily adapted to reflect these details. The preliminary financial self-sustainability plan is contained in Attachment A.

The Washington State Office of Financial Management has developed the necessary financial procedures documented in the [Single Audit Act](#) to provide control and reporting of all property, funds, and assets related to grants and cooperative agreements with the Federal government. These policies and procedures meet the requirements of the State's existing financial oversight requirements, while still adhering to State monitoring needs for grant funding. These procedures include rules related to vendor oversight and quality assurance. The Exchange has followed these procedures.

8. Oversight and Program Integrity

During the Level One Establishment grant phase, Washington State identified the management, oversight, and institution of the proper safeguards for preventing fraud, waste, and abuse as key elements of the operational plan for the Exchange.

The Exchange has instituted policies to ensure the proper use of state and federal funds. These policies include a process for regular reporting to HHS and State oversight entities. Under the provisions of the [Single Audit Act](#) and OMB Circular A-133, the Exchange has exercised the option to obtain a statewide Single Audit to satisfy the single audit requirements for Federal assistance received and administered by agencies and institutions of the State. As part of this single audit process, OFM will coordinate with individual state agencies and institutions in compiling the necessary year end federal financial information required to complete the Circular A-133 mandated annual "Data Collection Form" and "Reporting Package." The Exchange is subject to audits that would be conducted by the Washington State Auditor's Office.

Working with Wakely, the Exchange conducted an inventory of the internal control and program integrity features of currently existing state programs. Using these established controls as a guide, the Exchange has begun to plan for the internal resources needed to accurately monitor the proper use of resources and funds.

9. Health Insurance Market Reforms

OIC has led the implementation of health insurance market reform-related provisions in Washington State including: establishing minimum loss ratios; 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.

Washington State [assessed options](#) to mitigate adverse selection across markets, and inside and outside of the Exchange. In addition, Washington State engaged Milliman to perform an [actuarial analysis](#) of HHS guidance on essential health benefits and developed recommendations. This informed the introduction of legislation related to such benefits.

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

Throughout the planning process, Washington State has met with consumer advocates and small business groups about the valuable roles producers and navigators can play in an Exchange. Washington State staff have evaluated the valuable lessons learned from the Health Insurance Partnership (HIP) small business Exchange to understand enrollment trends of small employers, strategies for engaging producers, successful marketing and outreach tools, the selection process of plans to be offered through the Exchange, and the implementation of an individual choice model.

Using Level One Establishment grant funds, a gap analysis was completed assessing current availability of consumer assistance services across all government programs. In addition, [CHOICE Regional Health Network](#), a local community organization, drafted an inventory of consumer support services that could serve Exchange enrollees.

Washington State also commissioned a [policy option brief](#) to examine the role of Navigators. While the ACA outlines numerous functions and responsibilities, states have significant flexibility in establishing Navigator programs. This brief outlines the recommended traits and characteristics for Washington State's Navigators and the types of organizations that are best suited to act as Navigators.

The Exchange is currently determining the functions, business requirements and processes flows for the call center and has issued a draft analysis as part of the development process. Additional information about the call center is included in the Business Operations section.

The Exchange has coordinated with OIC to understand their experience with the Consumer Assistance Program (CAP) grant. The CAP helped consumers resolve health care related issues, facilitate referrals for help with the resolution of disputes, and assist consumers with appeals by providing support throughout the process. In order to effectively serve consumers, the CAP enhanced the data collection systems at OIC. Washington State is currently determining the infrastructure requirements and whether some or all consumer assistance functions will be provided by the Exchange.

11. Business Operations

Through Level One Establishment grant funding, Wakely assisted Washington State in developing a comprehensive work plan for developing a broad range of options for operating the Exchange. Wakely presented a draft Operations Plan Report (Attachment D) in January 2012 that included an outline of Exchange responsibilities, Navigator responsibilities, and key Federal milestones. The next version of this Operations Plan Report (due in April 2012) will include a more detailed proposal. Progress made in each of the business operations areas is provided below.

Certification of Qualified Health Plans: Using Level One Establishment grant funding, Washington State [reviewed](#) ACA's criteria for the certification of QHPs and the Legislature determined that the provisions in the ACA were sufficient for ensuring that Washington State residents have access to quality health plans.

The Exchange legislation that was passed in March 2012 provides guidance to the Board regarding the criteria of QHPs. For example, the Bill requires that QHPs meet the requirements of [Title 48 RCW](#) and rules adopted by the Insurance Commissioner, and must also meet the requirements of the ACA. The Board must also ensure that tribal clinics and urban Indian clinics are included as essential community providers in a QHP's provider network. The Board must also allow stand-alone dental plans to offer coverage in the Exchange. The details of the certification must be worked out in the coming months.

Call Center: Washington State continuously met with Medicaid officials to discuss their existing call center system functions, and as a result, envisions a joint call center between the Exchange and Medicaid to answer questions about health insurance applications and enrollment, assist with the determination of eligibility for tax-credits, cost share reductions

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and Medicaid, and help to choose a plan. The call center will serve customers with a streamlined approach to ensure ease of use and customer satisfaction. Wakely developed a report outlining key functions of the Exchange call center including: where the customer service center services intersects with the System Integration deliverables, application navigation, enrollment, plan management, financial management, eligibility and enrollment requirements, and web portal/user experience requirements. This analysis will help align the customer service center integration strategy with the proposed system components to be built or acquired and the services and components a service center will need to support the Exchange, Medicaid, and CHIP.

Exchange Website: As part of the Level One Establishment grant, an RFP for the branding and strategic marketing of the Exchange was released in August 2011. As a result, a contract with GMMB was initiated to develop a plan for communications and marketing.

Washington State decided to use the UX2014 user interface as the design foundation. The [UX2014](#) project will provide wireframes tailored to meet the needs of the different functions of the Exchange, including anonymous shopping, completing an application for subsidized health insurance and plan selection. The UX2014 design is the result of substantial research to address customer needs and preferences.

It is expected that these foundational elements will eventually be combined with the branding and graphic design elements that have been developed by GMMB to create the Exchange website. In the interim, the Exchange will continue to maintain its informational website for residents, stakeholders, policy makers and the media. Working closely with the Exchange IT team, the Exchange developed high-level business requirements for the web functionality of the comparison of QHPs, application and selection of QHPs, premium tax credit and cost-sharing reduction calculator functionality, and consumer assistance functions.

Premium Tax Credit/Cost Sharing Calculator: The Exchange intends to use the model Premium Tax Credit/Cost Sharing Calculator developed by HHS to assist individuals in comparing the costs of coverage in available QHPs.

Quality Rating System: Washington State has begun a preliminary assessment regarding what data and information are currently available to use in a quality rating system that allows consumers to assess QHP value across dimensions of quality and cost. This assessment included a review of how this information is currently disseminated to consumers, and existing sources of quality data including the Consumer Assessment of Healthcare Providers and Systems (CAHPS®), the Healthcare Effectiveness Data and Information Set (HEDIS®), CMS' STARS system for Medicare Advantage, NCQA, URAC, and the Health Outcomes Survey (HOS). QHPs will need the capacity to report certain quality information to the Exchange as part of the minimum certification standards. Washington State will integrate the rating process with its QHP procurement strategy.

Navigator Program: Using Level One Establishment grant funding, Washington State hired GMMB, communications consultant, to conduct research with residents and a diverse group of stakeholders to provide a number of insights regarding the Navigator Program. The research included:

- A statewide online survey conducted among 570 adults, 18 and older, with varying incomes (November 2011); and
- Stakeholder interviews with 17 representatives from several sectors, including community organizations, health care associations, brokers, insurance carriers, consumer advocacy organizations, and small business associations (November 2011).

The research findings yielded the following recommendations for the Navigator program, which were discussed in a [policy brief](#) and distributed for public comment:

- Ensure Navigators are knowledgeable about all aspects of the Exchange, including the benefits and costs of all plans offered and eligibility requirements for tax credits, subsidies, and Medicaid.
- Clear, simple explanations and guidance are required by Navigators.

- Navigators must be viewed as trustworthy sources of impartial information.
- Navigators will need to offer support in a variety of ways and be easily accessible to the communities they serve during and after the enrollment process.
- A diverse array of Navigators will be necessary to serve the diverse array of consumers. Additionally, building on existing networks will be a key to success.
- Navigators must reach patients and consumers in settings where or when health care is top of mind, such as a doctor's office or clinic, or directly from a health insurance plan, in non-emergency health care settings.

Washington State has also begun to assess how to implement the Navigator program and the ongoing operational needs of Navigators. Wakely's draft Business Operations Plan (Attachment D) was completed in January 2012 provided an outline of Navigator responsibilities, as well as key Federal milestones and key project activities related to the Navigator program.

The next version of this plan will include a more detailed Navigator program proposal as well as an assessment and evaluation of the program.

Eligibility Determination for Exchange participation, advanced payment of premium tax credits and cost-sharing reductions:

Washington State briefed the Governor and Legislature on policy recommendations regarding eligibility determinations. A single Exchange portal will be used to determine eligibility for premium tax credits, cost-sharing reductions, and CHIP and MAGI related Medicaid programs and will include real-time determinations and a single session enrollment process. Washington State determined that the eligibility service will be built on top of the existing Medicaid eligibility system (housed in the DSHS ACES) in a way that allows for future portability. The Exchange has begun drafting use cases and business rules for the creation of the eligibility service.

Seamless eligibility and enrollment process with Medicaid and other state subsidy programs: The Exchange will offer a seamless eligibility and enrollment process for QHPs and other public health insurance programs, such as Medicaid and Apple Health for Kids, and will include real-time determinations and a single session enrollment process. Weekly meetings with Medicaid and the DSHS executive staff are currently underway to develop a single application and eligibility process for MAGI Medicaid/CHIP, the advance premium tax credits and cost sharing reductions. To date, the team has discussed data sources for identity, employment and income verification; formed a workgroup to develop business rules to ensure a seamless eligibility process; decided where to house Exchange enrollment data; and examined State and Federal laws and regulations to identify data needs for the joint application and determination of eligibility.

Enrollment Process: The Enrollment process is a unique function in the Individual and SHOP Exchanges. Core elements of enrollment include selection of a QHP, communicating to issuers regarding enrollment in QHPs, administering disenrollments from QHPs and conducting periodic enrollment reporting and reconciliation. Washington State has made progress on a number of milestones using funds from the Level One Establishment grant. The Exchange has assessed CMS' Enrollment guidance by reviewing CMS blueprints, Notice of Proposed Rulemakings, and other resources. An RFP was released in October 2011 for the enrollment function as part of the systems integrator contract. The SI vendor, Deloitte Consulting LLP, signed the contract on March 26, 2012, and the contract is currently pending CMS approval before the State signs it.

Since the release of the RFP, the Exchange IT team has initiated cross-functional communication meetings to discuss Exchange functions in detail. Through this mechanism, the Exchange can ensure that the Individual, SHOP, Plan Management, and Financial Management workgroups have synergy and coordination in their plans for Enrollment. Another area of analysis has been the coordination of enrollment activities and financial management transactions, particularly the receipt of premium payments that the Exchange will aggregate prior to remitting to insurance carriers.

Application and Notices: The Exchange is working with the Medicaid program to develop an application for CHIP, MAGI Medicaid-related programs and premium tax credits and cost sharing reductions. This application will be incorporated into the website design drawing on the design format created by UX2014 and will also be available on paper. The paper

application will have supplemental components and will likely require a longer processing time. The existing Medicaid application was examined and several items were identified that are necessary for future eligibility determination for Medicaid and the advanced premium tax credit program. Requirements for MAGI determination were also evaluated, including income and household composition calculations, and can be incorporated into a draft application.

Individual responsibility determinations: The Exchange must be able to determine whether an individual is exempt from the individual mandate obligations due to membership in an exempted group such as having income less than 100% FPL, lack of affordable coverage, or hardship. Washington State will manage individual responsibility exemption applications in conjunction with the Federal government. The determination of these exemptions will be performed in cooperation with Federal data sources and systems yet to be determined. This process will be automated to the greatest extent possible. Therefore, the submittal of individual responsibility applications, notification of determination, and management of this function is included in the Exchange IT build. The Exchange has also outlined a high-level business process required to perform this function and has included the development of these processes into the overall operational plan (Attachment D).

Adjudication of appeals of eligibility: As part of the business operations plan developed by Wakely and funded by the Level One Establishment grant, HCA staff conducted a landscape scan of the existing appeals infrastructure within Washington State. This included reviewing existing processes for appealing eligibility determinations in other State programs. Washington State also evaluated the resources necessary to manage this expanded appeals process. Recently released regulations clarified that the Exchange must include the notice of the right to appeal and instructions regarding how to file an appeal in any eligibility determination notice issued to the applicant in accordance with §155.310(g), §155.330(e)(1)(ii), or §155.335(h)(1)(ii). This appeals process will be developed during the Level Two Exchange Establishment phase.

Notification and appeals of employer liability: The ACA requires that HHS establish a process for employers to appeal determinations regarding liability. While the Exchange awaits further Federal guidance on this requirement, the Exchange planning process has nonetheless assumed that employer appeals will flow through the IT system in the same way as individual enrollee appeals. The IT planning and build process has included the system requirements for the employer appeals process.

Information reporting to IRS and enrollees: The Exchange has begun evaluating the means of capturing the data required for reporting information to the IRS and enrollees. Through its IT planning process, Washington State has begun drafting specifications for building the capacity to communicate the required information to both the IRS and the enrollee.

Outreach and Education: GMMB conducted [research](#) and testing with individuals and small businesses between December 2011 and February 2012 to ascertain awareness and branding for the Exchange. These activities included:

- A statewide survey of adults at or below 400% FPL (N=800) was conducted to gain insights on overall awareness of the Exchange; motivations and barriers to using the Exchange; and preferred messaging (December 2011).
- Eight focus groups with individuals and small business owners were held to test messages about which qualities or aspects of the Exchange best resonate with each audience. Groups were held with uninsured individuals, individuals who purchase private insurance and small business owners in Seattle and Spokane (January 2012).
- Twelve small focus groups with consumers were held to test brand concepts in Seattle and Spokane (February 2012).

Three brands were tested; key findings from quantitative and qualitative research informed the messaging. The results of the research are available in Attachments F and G, and speak to the final recommendation for the brands.

As mentioned previously, Washington State established an [Exchange website](#) as an educational vehicle on which meeting notes, event information, legislation, and research/policy papers have been posted. In addition, an [Electronic Mailing List](#) is

maintained for interested parties so website visitors can receive meeting notices and communications about the development of the Exchange.

Risk Leveling Methods: In order to better understand the three risk-leveling mechanisms included in the ACA, the Exchange developed an overview [brief](#) on these mechanisms and how they will operate and interact with each other. The brief also considers options for using the State’s high-risk pool, the Washington State Health Insurance Pool (WSHIP), as a reinsurance mechanism. It is likely that Federal guidance will be available to further define the parameters of the risk-leveling methods.

[House Bill 2319](#) has directed the Insurance Commissioner to contract with one or more nonprofit entities to administer the risk adjustment and reinsurance programs. The Insurance Commissioner, in consultation with the Exchange, will adopt rules that establish the reinsurance and risk adjustment programs. The Legislature also directed the Insurance Commissioner to deliberate over an “invisible” high-risk pool option that cedes the risk of high-risk enrollees to the transitional reinsurance program. The Commissioner is also directed to contract with one or more nonprofit entities to administer the reinsurance and risk adjustment programs. The Exchange is committed to working with the OIC in implementing the risk leveling methods.

SHOP-Exchange Specific Functions: The Exchange has begun planning for its SHOP Exchange by conducting a number of activities. This includes reviewing lessons learned from the Health Insurance Partnership. Employer surveys and focus groups have been conducted to gather information concerning small employers’ opinions about the SHOP Exchange and identify functions that will be valuable to them. Using federal State Health Access Program grant funds, Milliman completed a survey and focus group of small employers asking about the factors that will drive their decisions to purchase health insurance through the SHOP Exchange marketplace in 2014.

Milliman’s report, included in Attachment H, found that many small employers had limited knowledge of the Exchange and SHOP. Small employers expressed concerns about rising health care costs, and that offering coverage to family members had become unaffordable. However, it was clear from the survey results that employers wanted to continue to offer insurance. Respondents were suspicious about government’s involvement in health insurance and were also concerned that such involvement could increase bureaucracy and costs to taxpayers. Upon learning more about the Exchange, some employers felt hopeful that SHOP may be able to help bring affordable insurance to more people and responded favorably to new ways of providing it (set monetary contribution). Survey respondents indicated that the small business tax credit was not a strong incentive to purchase through SHOP. Most small employers currently rely on brokers to assist them with the selection and purchase of health insurance because of the paperwork and administrative burden.

Using Level One Establishment grant funding, Wakely prepared a report outlining the proposed functions of a SHOP Exchange based on the statutory and regulatory guidance available to date for an online insurance store that employers and their employees can use to shop for, compare, and purchase health insurance plans. The report emphasized how a SHOP Exchange will allow Washington State to operate a website and customer service call center that allows employers and employees to “shop” for a range of insurance products using a single application process and a single bill.

Cambria Solutions, through IT system development, created various business process flows for several components of the SHOP Exchange. Wakely provided several clarifications to these processes, including whether the employer or employee are the purchasers, the need to screen and determine if employer is a “qualified” small employer based on the number of employees, income rates and employer contribution as well as the determination of tax credit eligibility. In addition, early requirements have been identified for the system integrator RFP and process flows are being developed.

ii. PROPOSAL TO MEET PROGRAM REQUIREMENTS

Washington State has made significant progress in establishing its state-based Exchange as illustrated in the previous section. Based on the activities completed to date, the State is on schedule to establish a fully functional Exchange by October 1, 2013, along with meeting HHS' requirements and milestones for Establishment Level Two grant funding.

Washington State has met the Establishment Level Two readiness criteria as follows:

- 1) Washington State established the necessary legal authority as demonstrated by the passage of [Senate Bill 5445](#) during the 2011 legislative session. Further commitment by the State was demonstrated with the recent passage of [House Bill 2319](#) in 2012 detailing additional criteria for the Exchange including status;
- 2) A governance structure for the Exchange was provided in [Senate Bill 5445](#) and board members were [appointed](#) by the Governor and began meeting in March 2012.
- 3) A completed detailed budget through 2014 is included with this proposal;
- 4) An initial plan for the financial sustainability has been developed and is included in Attachment A of this proposal. In addition, [House Bill 2319](#) Sec. 4(2) requires that a plan for sustainability be submitted by the Exchange to the Legislature by December 1, 2012;
- 5) A plan outlining steps to prevent fraud, waste and abuse is included in Attachment B; and;
- 6) A plan describing the capacity of Washington State's Exchange to provide assistance to individuals and small businesses including plans for a call center is included in Attachment C.

To accomplish the activities necessary for ensuring that Washington State's Exchange can meet certification in January 2013, the provision of coverage to enrollees in 2014, and self-sustainability by 2015, the following activities are proposed under each Core Area laid out by HHS.

1. Background Research

Washington State has completed the background research necessary to move forward with Exchange implementation, however, staff and the Exchange Board will continue to work with external researchers and state-maintained databases to test assumptions and refine estimates. During the Level Two Establishment grant period, HCA will fund and continue to refine its policy on the Federal Basic Health Plan option in response to [House Bill 2319](#). The background research done by HCA will help define any process to integrate the program with the Exchange if the decision is made to do so.

2. Stakeholder Consultation

To continue Washington State's commitment to stakeholder engagement on the Exchange, the Exchange will hold another series of public education meetings across the State during the summer of 2013. These meetings will help educate the public about the Exchange and how it might assist individuals and small businesses in finding and enrolling in health insurance coverage. These meetings will also help shape the development and design process going forward.

Exchange staff will continue meeting with stakeholders, such as insurance carriers, providers, consumer advocates, employers, brokers, tribes and others. These meetings have been valuable to help Washington State understand the opinions and biggest concerns of various stakeholders as well as keep stakeholders informed on the Exchange's latest work. In addition, the Board will continue to encourage public comment at its meetings.

The Exchange will maintain its strong relationship with AIHC. Level Two Establishment Grant funding will support a number of activities to address the needs of individual American Indian/Alaska Natives enrolling in the exchange and the potential issues facing Indian Health Service/Tribal/Urban Indian Health clinics. These activities, outlined in AIHC's proposal included in Attachment K, include developing tribal-appropriate education curriculum and materials, and conducting presentations at

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each of the 29 federally-recognized Tribal communities and 2 urban Indian health programs. The Exchange will continue to work with AIHC to successfully facilitate a collective voice and to solicit input from the 29 Federally-recognized Tribes and two Urban Indian health organizations. The Exchange will work with AIHC and Medicaid to define and develop a definition of AI/AN people and method to document AI/AN status. AIHC will also assist the Exchange in developing a tribal consultation policy in conjunction with the tribes in the state. AIHC's knowledge regarding potential incentives, and outreach and enrollment strategies, are critical in this process.

3. State Legislative/Regulatory Actions

Additional legislation may be necessary during the 2013 session, and the Exchange will work with the Legislature to propose legislative action, if necessary, particularly concerning the self-sustainability of the Exchange. The Exchange will provide briefings for the Legislature of decisions needed to be made through legislation as-requested.

Significant regulations pertaining to the individual and small group markets will be forthcoming from the Insurance Commissioner as required by [House Bill 2319](#). The Commissioner will adopt rules that establish the reinsurance and risk adjustment programs; and, in consultation with the Exchange and HCA, the definition of Essential Health Benefits for the individual and small group markets.

The Exchange will continue to review relevant HHS Rules.

4. Governance

The Board was [appointed](#) by the Governor and assumed authority for all Exchange functions on March 15, 2012. The Board will hire an Executive Director who will work closely with the Board and senior management to oversee the entirety of the Exchange. His or her responsibilities will include executing the vision of the Exchange, strategic planning, and maintaining collaborative working relationships with executives at other State agencies, health plans, and associations. The Executive Director will hire and manage senior-level Exchange staff. Establishment Level Two Grant funding will support all of these Exchange positions through 2014. The Board will also look to HCA and other state agencies to establish policy and procedures for the Exchange, as needed.

The Board will continue to meet regularly to make many policy decisions over the next several months, as well as continually after the Exchange is operational. All agenda items and notes for Board meetings can be found at the Exchange [website](#), as well as future Board meeting dates scheduled through December 2012.

5. Program Integration

Exchange staff will continue to use the Exchange/Medicaid working group to analyze shared business functions and to discuss how the programs can work together to provide a seamless health coverage experience for low-income Washington State residents. From March 2012 to October 2013, the Exchange team will coordinate with other State agencies and programs around developing detailed business processes and memorandums of understanding for all interagency collaboration including coordinated eligibility determination, certification of QHPs, insurance market reforms, and all system testing. The Exchange will test information sharing with these state agencies.

Exchange and Medicaid staff will continue to align the respective programs by developing a single application and a seamless application and enrollment process. This includes aligning the specific Exchange account rules and coordinating with the eligibility service. In addition, the State is planning a joint Exchange-Medicaid call center to facilitate application navigation and answer questions about health plans, enrollment, and billing. The Exchange is also developing a process to resolve future issues related to Exchange-Medicaid integration.

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The Exchange will contract with Manatt Health Solutions (Manatt) to analyze the legal and policy issues that may arise between the Exchange and Medicaid. Their analysis will include guidance in identifying policy options and expert implementation assistance regarding transition/phase-out planning for optional eligibility groups and waiver programs to Exchange and Medicaid coverage; alignment of benefits and cost sharing between Medicaid and the Exchange; streamlined coverage for Exchange and Medicaid-eligible pregnant women; whole-family coverage options for families with members eligible for different coverage/subsidy programs; and stakeholder engagement on selected Medicaid implementation policy issues.

The Exchange will also contract with the Institute for Health Policy Solutions (the Institute) will provide analysis and develop options related to the issue of churn between Medicaid and the Exchange. This analysis will assess the potential for churn in Washington State and propose alternatives to address churn between Medicaid and the Exchange, including the churn that will result from special eligibility categories above 138% of the FPL MAGI threshold. The Institute will provide ongoing technical assistance and facilitated stakeholder discussions to ensure the development and implementation of appropriate policy solutions to best address coverage churn in Washington State.

In recognition of the role OIC plays in regulating the health insurance market, Exchange staff will continue to coordinate with this office. Collaboration with OIC will be important during the QHP certification process, and the Exchange will obtain all necessary internal operating and data sharing agreements before the certification process begins. The Exchange is actively collaborating with the Insurance Commissioner to establish an effective Plan Management environment that supports a cohesive regulatory and certification process for QHPs. The Exchange will also continue to collaborate and support the Insurance Commissioner on important decisions that impact the individual and small group markets inside and outside of the Exchange. Key among these decisions will be the specification of the essential health benefits and the development of the reinsurance and risk adjustment programs.

[House Bill 2319](#) requires HCA to submit a report to the legislature on whether to proceed with implementation of the Federal Basic Health Program option. If Washington State decides to implement the program, the Exchange will coordinate with HCA to ensure that the Federal Basic Health Plan is integrated into seamless eligibility, including the application, eligibility determination, and enrollment; notifications and correspondence; and the call center.

6. Exchange IT Systems

The Washington State Exchange IT team continues to move thoughtfully, yet quickly ahead to develop IT capabilities for the Exchange. The Exchange IT team will continue to collaborate with other states through the various grantee meetings, conference calls and Exchange websites. Additionally, Washington State welcomes the recent invitation to participate with other states in regularly scheduled Early Innovator Learning Collaborative conference calls. CCIIO/CMS has also asked Washington State to potentially present at the spring 2012 Grantee Conference based on the progress made in selecting a Systems Integrator (SI) vendor, and in developing requirements and design artifacts.

The IT activities associated with this Level Two Establishment Grant proposal include all of the activities necessary to implement a successful, fully functioning Exchange in Washington State. Working with the SI vendor, these activities will include:

- Expand project management office (PMO)
- Prioritize remaining policy decisions
- Proceed with Exchange design and development that:
 - Meets business requirements and conceptual design
 - Adheres to application standards
 - Integrates with existing systems
 - Addresses project assumptions and constraints
- Develop the Eligibility Service

- Develop Advanced Planning Documents (APDs)
- Implement Exchange functionality in phases

Expand Project Management Office: Based on Washington State’s experience with large system implementations, the Exchange will continue to expand the PMO with consultative assistance from Technology Solutions Group (TSG) and the Project Team who are dedicated to managing the overall system implementation of the Exchange. It is anticipated that the team will be fully staffed in early to mid 2012. The team uses best practices, templates, and standards from Washington State’s Department of Information Services (DIS) Project Management Framework and will work with the SI vendor to use and/or leverage the CCIIO/CMS deliverable formats and templates throughout the system development lifecycle. The PMO is now using a well-defined issue and risk management and escalation process that will be critical to implementing the Exchange on schedule.

In addition to the Exchange Team, the SI vendor is expected to provide a full-time, onsite project manager and support staff to manage the SI vendor’s efforts for the Exchange project. The SI vendor project manager will report to the Exchange IT Project Manager and work collaboratively with the Exchange staff. All Exchange and SI vendor project management processes will be consistent with the following:

- Project Management Institute (PMI) project management polices and guidelines as defined in the PMBOK® Guide
- CMS System Lifecycle Framework guidelines for project management deliverables which can be found in the CMS Artifacts section of the Exchange Vendor Reference Library
- Washington State’s Office of the CIO’s (OCIO) Project Management Framework

In the next few months the PMO will add additional staff to support the Exchange project management activities.

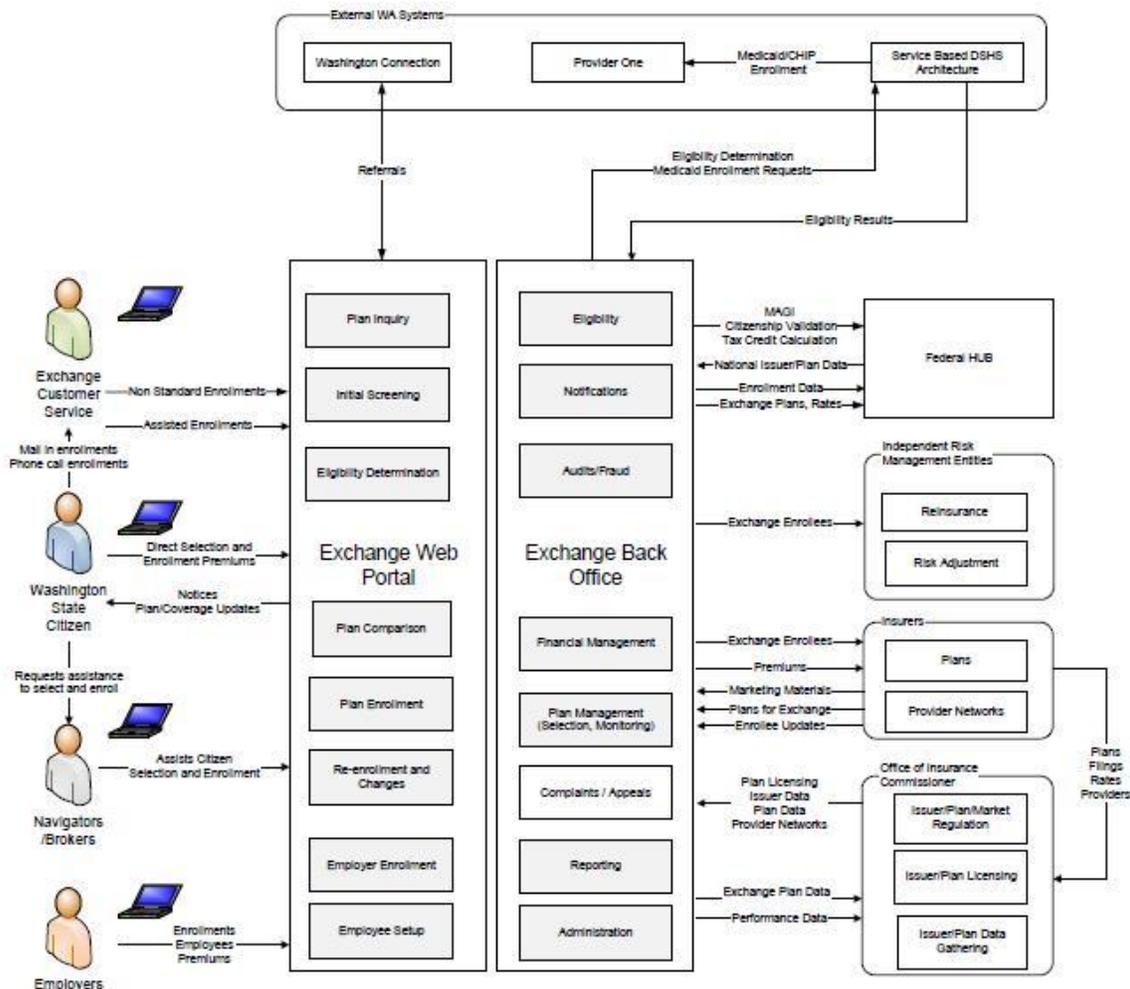
Prioritize Remaining Policy Decisions: The PMO is in the process of completing an inventory of all pending policy decisions in order to identify dependencies with the IT design progress. The prioritization will identify a schedule by which decisions would ideally be made in order for the IT design to proceed according to schedule. In those instances where decisions cannot be made, either because of external factors such as political climate or uncertain federal requirements, working assumptions will be identified and communicated so progress can continue according to schedule. In such situations, the design activities will proceed with as much flexibility as possible, thereby mitigating the impact should a final decision differ from the assumption. The proposed budget allows for such contingencies.

Proceed with Exchange Design and Development and Implementation: Washington State’s approach to IT design and development aligns with the CMS Exchange Life Cycle (ELC) as defined in the Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement. Additionally, working with the SI vendor, the Exchange is proposing an Agile development approach where SI vendor deliverables, including software, are subject to several iterations. Project deliverables will be prepared in accordance with the SI vendor contract, the work plan and will support remaining CCIIO reviews.

The system development lifecycle (SDLC) phases align with project deliverables needed for the CCIIO reviews. The Exchange is engaged with the SI vendor to accomplish these tasks and deliverables according to the ACA schedule, allowing full implementation of the Exchange by January 1, 2014.

The following graphic provides a conceptual overview of Washington State’s targeted solution for the Exchange. It is comprised of functional and non-functional components that together provide the capabilities to support business functions of the Exchange as identified in the latest Federal guidance.

Figure 1.0 Exchange Conceptual Overview



Integrate with Existing Systems: Washington State is planning a fully integrated Exchange hub, which will have 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 will integrate its Exchange with a newly developed, MITA compliant, Eligibility Service. The New Eligibility Service, to be built and hosted with the state DSHS Services Based Architecture, has an open interface that promotes interoperability and system-to-system communication, facilitated by an Enterprise Service Bus and web services. Washington State plans to build eligibility determination in a way that ensures portability of the service if required in the future. The eligibility service will contain the rules engine for MAGI eligibility determination. The Eligibility Service will also leverage the existing interface to the ProviderOne system to complete enrollment activities for Medicaid consumers. The Exchange will integrate with existing State systems to enable citizens to be referred to and from the Exchange. It is anticipated that the referral interface will supply relevant data to either receiving system, easing the burden on individuals.

Washington State is considering further integration with the ProviderOne system and will make final decisions 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 DSHS that will provide a unique identifier for all individuals applying for health and other social service programs.

Adhere to Applicable Standards: Washington State 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 State’s approach to applicable standards is summarized below.

1. *1561 Recommendations* – The State is committed to continuing to implement the 1561 recommendations for health services eligibility and enrollment processes. Washington State already follows 1561 recommended guidelines for its ProviderOne and ACES systems and it will continue to identify gaps and adopt new standards as systems are developed and existing applications are enhanced.
2. *HIPAA* - As new systems are developed and existing systems are enhanced, the State will continue to ensure that its systems are HIPAA compliant.
3. *Accessibility* – Washington State’s Exchange solution will be ADA/Section 508/Section 504 compliant and follow the W3C Web Content Accessibility Guidelines (WCAG).
4. *Security* –Washington State employs multiple layers of security in its systems to address personal health information (PHI) and personal identifying information (PII).
5. *Federal Information Processing Standards (FIPS)* – Washington State will work with its SI vendor to address FIPS and guidelines.

Addresses Project Assumptions and Constraints: The Exchange will proceed with Design, Development and Implementation (DDI) activities with the following assumptions:

- **Iterative plans and processes:** Project Management Plan(s) and processes were updated based on CMS guidance, and SI vendor processes for the Preliminary Design Review (PDR). Following AGILE principles, Exchange development will occur in an iterative fashion.
- **Fixed project schedule:** To meet ACA requirements, a fixed schedule is imperative. Therefore, the proposed approach will prioritize scope, identify adequate resources, communicate obstacles and barriers, and include contingency plans.
- **Adequate staff and federal funding:** The staffing and funding request contained in this proposal reflect aggressive timelines and evolving requirements.
- **Timely CMS guidance:** The Exchange is committed to identifying the critical path and Federal guidance is needed to meet the ACA schedule.
- **Eligibility Service Availability:** DDI will proceed in a timely manner and will not force any delays in Exchange DDI activities. The Exchange is committed to rigorous oversight and status reporting to ensure the Eligibility Service meets the schedule requirements of the Exchange.
- **Federal Hubs Availability:** DDI will proceed in a timely manner and will not force any delays in Exchange DDI activities. The Exchange will work with the SI vendor to mitigate any delays such as “stubbing out” functionality.

Similarly, Washington State’s plan for the Exchange includes several project constraints as follows:

- **Schedule:** Constrained by the schedule specified in the ACA to be operational on January 1, 2014
- **Scope:** Constrained by core functions of ACA as well as other Federal and State policies and standards
- **Cost:** Constrained by DDI funding approved by CMS in the Establishment Grant(s) and sustainability of on-going operations costs

Develop Eligibility Service: Consistent with the IT Gap Analysis and as described above, Washington State intends to develop an Eligibility Service leveraging ACES expertise. The new Eligibility Service will be used by the Exchange to determine financial eligibility of consumers using Modified Adjusted Gross Income (MAGI) business rules.

Develop Advanced Planning Documents (APD): Currently under development are Advanced Planning Documents for Exchange functionality shared with Medicaid, for the Eligibility Service functionality shared with Medicaid and potentially to address any MMIS-related changes as a result of Medicaid changes. The Eligibility Service is a shared function between the Exchange and Medicaid and therefore subject to cost allocation as shown in the budget.

Implement in Phases: The Exchange solution will be implemented in a series of releases. Activities supporting each release are tightly linked to the CCIIO Reviews. This release schedule may change based on SI vendor's initial project plan submitted with the proposal and the updated work plan due within 30 days of contract execution, as well as finalized ACA rules, regulations and guidance.

7. Financial Management

With potential a projected enrollment of between 175,000 and 500,000 people, the number of financial transactions processed by the Exchange will require a highly automated, sophisticated, and scalable accounting system. Exchange financial systems will need to produce timely and accurate financial and management reports at a level of detail that will meet the transparency expectations of all stakeholders, including health insurance carriers and others interacting with the Exchange.

Washington State does not have an existing accounting and financial management reporting system that can be modified to incorporate the necessary requirements associated with the Exchange once it is operational. Development or procurement of a new system will therefore be an area of focus for Level Two Establishment grant funding through the hiring of key staff and acquiring consultant expertise.

The Exchange has identified the hiring of finance personnel as an immediate need for the Exchange. The Exchange will hire a Finance Director to oversee Exchange fiscal and budgetary components as well as a Budget Manager to assist the Finance Director in financial planning, analysis and budget reporting functions, and vendor procurements. These Exchange finance staff will work in conjunction with consultants to establish an overall financial management system for the Exchange.

The Exchange will hire Clark Nuber, PS, to develop a work plan for the build out of an Exchange financial infrastructure including: the development of accounting policies and procedures for the Exchange; the development of an accounting system; development of an Exchange banking function; provision of recommendations on the design of financial reports; development of internal controls and risk assessment; and assurances that the Exchange system adheres to federal guidance regarding grant management. With this expertise, the Exchange will develop the underlying accounting and reporting structures, as well as assist the technology team with the development of the appropriate accounting and financial management technology solutions.

In addition, Exchange staff will work closely with Wakely to refine its financial model and sustainability plan as the Exchange moves closer to full operability. Ongoing analysis of enrollment projections, implementation costs, and ongoing operational costs require that the plan be continuously updated as budget assumptions change. The Exchange will draft legislation on potential funding mechanisms for the Exchange, if necessary.

Once all systems are in place, the Exchange expects to demonstrate its capability to manage the finances soundly, including the ability to publish all expenses receivables and expenditures consistent with federal requirements. Critical financial management information will be posted to the Exchange website, to ensure transparency among stakeholders. The Exchange will submit accounting reports to HHS as requested.

8. Oversight and Program Integrity

The Exchange will build upon the work accomplished in the Level One Establishment grant period to design and implement its own system of internal controls and protections and to develop a financial operations and integrity plan. During this next phase, the Exchange will evaluate best practices in the private market, as well as the framework established by the Committee of Sponsoring Organizations (COSO). This analysis will include recommendations on procurement standards, vendor oversight, reporting needs, and the reconciliation of major accounts. The Exchange will work to implement these controls prior to 2014.

The Exchange will plan and implement accounting systems and procedures, reporting needs and the reconciliation of major accounts. In addition, the Exchange will establish a document retention policy that meets federal guidelines. The Exchange will also collaborate with Medicaid on the development of program integrity policies related to eligibility determinations.

The Exchange will establish procedures for an independent, external audit to make certain it complies with ACA-specified provisions regarding financial oversight and program integrity. The Exchange will be subject to regular audits by the Secretary of HHS and State auditors, as well subject to other operational reviews.

Clark Nuber, PS, will be hired to work with Exchange staff to identify areas of potential fraud, waste, and abuse and to develop systems of internal control and methods for reporting to HHS. They will provide expert advice by researching and evaluating internal control and program integrity best practices in the private market and governmental agencies.

In addition to developing internal financial controls, the Exchange will contract with a human resources (HR) consultant to develop HR policies and procedures as well as administrative HR services that are compliant with government regulations. The consultant will evaluate and develop employment, recruitment and hiring processes that are appropriate and necessary for the Exchange. Personnel policies and procedures will be developed and published in an employee handbook and managers' manual. Finally, the consultant will establish an employee relations program that includes performance review protocol.

To the extent possible, requirements for IT system build will be refined to incorporate findings. In addition to these activities, the Exchange will conduct an ongoing assessment of internal IT System controls to eliminate fraud and abuse. The Exchange will contract with the Law Offices of Rich Wyde PC to provide legal consultation regarding the SI vendor contract periodically due to contract amendments, potential disputes and remedies.

9. Health Insurance Market Reforms

[House Bill 2319](#) established new market rules for the individual and small group markets effective in 2014 including that all plans offered in the individual and small group markets outside of the Exchange must conform to the actuarial value levels in the ACA; the catastrophic plan defined in the ACA, which will be adopted as Washington State's definition of a catastrophic plan in 2014, can only be offered inside of the Exchange; and an issuer must offer Gold and Silver plans outside the Exchange when it offers a Bronze plan outside of the Exchange. The Legislature also directed the Exchange Board, in consultation with the Insurance Commissioner, to examine these market rules by December 1, 2016 and advise the Legislature about retaining the new rules or allowing them to expire.

As a result of the market rules and due to their interest, the Exchange Board will contract with consulting actuary Milliman to examine the market rules and perform additional econometric and actuarial analysis for the Exchange. In performing these services, Milliman will examine and monitor the type of qualified health plans offered in the individual and SHOP exchanges. Milliman will also examine enrollment in the Exchange, the health risk of the population, and premium trends. To assist with interpreting the analysis, Milliman will discuss their findings and observations of analytic results, issuer participation and market strategy, and enrollment size and demographics inside and outside of the Exchange with industry experts. These

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qualitative discussions, coupled with their quantitative analysis will be used to refine conclusions and recommendations about the necessity to retain, modify, or discard the market rules. Guidance from those findings will help develop the framework for final recommendations in 2016. Milliman will also perform further econometric and actuarial analysis on such topics as enrollment, the level of risk and diversity of health care needs, and the actuarial values of QHPs within the metal levels to help the Board formulate key policy decisions and strategic direction for the coverage offered in the Exchange.

In [House Bill 2319](#), the Washington State Insurance Commissioner was also directed by the Legislature to establish the essential health benefits in Washington State for 2014 and 2015 for the individual and small group markets. The selection of the benchmark plan, confined to the largest small group health plan in the state, will not require costly expertise. However, the Legislature also directed tasks to the OIC that, taken as a whole, will require actuarial, legal, and policy expertise. Based on the legislation, the Level Two Exchange Establishment grant will fund actuarial services and policy analysis to compare the benchmark plan to all ten ACA benefit categories. The comparison of benefits is needed to determine if the Commissioner must establish rules to supplement the benchmark plan to ensure that all ten benefit categories are covered and meet the minimum requirements of the ACA. If rules are needed, actuarial, policy, and legal analysis is needed to research and establish the standards that must be met in the review of plans for individual and small group markets inside and outside of the Exchange. Actuaries and policy analysts will also need to establish standards to ensure that the review of plans contains a meaningful scope of benefits based upon the essential health benefits. The establishment of those standards must also include actuarial, policy, and legal analysis to ensure that plans offered in the market do not create the risk of biased selection based on health status. The Commissioner will also need actuarial analysis to examine the utilization and cost of benefits before submitting a list of any state-mandated benefits that might need to be subsidized by state funds. Actuaries will also need to examine the cost-sharing provisions of the various prescription drug benefit cost-sharing designs to determine if they result in adverse selection. An actuary will need to develop an initial baseline database on prescription drug benefit and use the database to perform actuarial analysis of drug benefit cost-sharing. These tasks will be performed primarily by an actuary with targeted, part-time support from a policy analysis and an attorney.

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

Washington State's Exchange has developed a comprehensive plan for providing assistance to individuals and businesses primarily through its Navigator Program and call center included in Attachment C. During the Level Two Establishment grant phase, the Exchange will begin to implement these features. Additional work in this area includes assessing the specific resource needs to effectively serve both individual and small businesses.

Under the Evaluation section of this proposal a discussion of the metrics that will be used by the Exchange to measure its effectiveness in meeting the needs of consumers is provided.

The Exchange will also develop a tool to track complaints and monitor trends to provide extensive reporting and data extract functions including reason code, disposition, and action taken.

A process will be established for coordinating activities with Medicaid as customer service responsibilities between the entities will be linked. The Exchange will refer consumers, when appropriate, to other organizations that can help them navigate Medicaid, and CHIP in order to leverage the robust network of consumer education and advocacy programs that have a depth of expertise and long-standing experience assisting consumers. In addition, the Exchange process will be coordinated with OIC to ensure that all complaint information collected by State consumer assistance programs are considered when certifying QHPs.

Finally, a consumer-friendly appeals process (discussed in Business Operations) will be developed.

11. Business Operations

As Washington State moves toward full implementation of its Exchange, significant funding of business operations is proposed. Washington State's Exchange will build on the preliminary plan developed by Wakely (Attachment D) during the Level One Establishment grant phase to establish the operational systems necessary for the Exchange. Wakely will continue to provide expert consultation to Exchange staff in the areas of business process development, QHP certification, call center operations, and Navigator program design and training.

In addition, the Exchange will continue its relationship with GMMB for communications, marketing and outreach, and web design and content. Funding for consultants in the areas of dental plan certification, risk adjustment and reinsurance, the development of a quality rating system for consumer use in the Exchange, and the evaluation components is also included in this proposal. All of these activities are described in more detail below.

Certification of Qualified Health Plans: The Exchange working with the OIC will use Level Two Establishment grant funds to develop a certification process for qualified health plans that effectively weaves together the OIC's regulatory requirements and certification criteria to be implemented by the Board. In addition, a consultant will be hired to provide content expertise and support to the Exchange regarding the certification and offering of standalone dental plans through the Exchange. Because there is currently no guidance on dental plans, the Exchange will need to develop criteria for Exchange participation, administrative fee financing and a process for offering plans. The Exchange will also need to develop a policy regarding how dental plans will enter into subsidy payments for kids.

Once guidance from the Exchange Board is clear, Wakely will be responsible for developing a clear certification process, including a timeline for application submission, evaluation, and selection of QHPs. The draft criteria and timeline will be reviewed by stakeholders and the Board. Meetings with Washington State issuers will be held to identify key issues and processes for QHP certification. The Exchange will continue to engage stakeholders to discuss the potential certification criteria and processes. Based on that feedback, recommendations will be made to the Board on the plan selection criteria and processes.

Beginning in mid-2012, the Exchange will develop an agreement for certification of qualified health plans. The Exchange will analyze potential carrier responses to QHP criteria and develop a strategy for carrier and plan selection participation. By early 2013, the Exchange will approve plans to be offered on the Exchange and carrier agreements will be established. By July 2013, plans will be approved, reviewed and in the final stages of preparations for being offered to consumers through the Exchange. Plan readiness and review activities such as testing enrollment interfaces with plans, reviewing of member materials, and testing financial reconciliation will be conducted. The Exchange will hold cross functional implementation sessions with issuers.

Level Two Establishment grant funding will support the improved analysis of network adequacy within QHPs and other health plans reviewed by the OIC. Funding will examine options for effective and timely oversight of networks. The examination will identify best practices for analyzing networks and preferred options, as well as the software systems that best assist those options. The goal will be to augment current network adequacy practices with improved monitoring and assessment of health care provider networks. Overall this examination will help the state identify and address potential problem areas before determining network adequacy for QHPs and other plans. A contractor will be hired to perform this examination and develop a system that can assist network adequacy determinations.

Call Center: During the Level Two Establishment grant phase Exchange operations staff will work with Wakely to define and implement business requirements and specifications for the acquisition and implementation of an integrated customer call center solution. This work will involve coordination across carriers, Medicaid and OIC. The Exchange will finalize its agreement with Medicaid on a joint call center, and will clarify details about where transitions between the call center and existing entities will occur. The Exchange will decide whether the SHOP Exchange needs to be a separate call center, or

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can be combined, and will then develop criteria for vendor selection. The Exchange will develop and release an RFP for bids, and will complete the procurement process for a call center operations vendor.

The call center vendor will develop a back-end application for call center staff to access enrollment and billing data, including enrollment history. Call center customer services protocols and scripts to respond to predictable requests/issues will be included in this work as well as ensuring that accommodations for hearing impaired and those with other disabilities and foreign language translations services are accounted for. Finally, Exchange staff will work with the call center vendor to develop training materials and train call center staff on eligibility and enrollment in the various state health insurance programs.

The Exchange will launch the call center functionality, and will publicize the toll-free number. Information about the call center will be posted on the Exchange website. Once launched, the Exchange will provide ongoing customer service performance monitoring and vendor oversight.

Exchange Website: Building on the product delivered by UX 2014 and in collaboration with the Exchange IT team, Washington State will contract with GMMB to develop and refine the language and visual design for the website through mood boards, which are a collection of visual elements, including fonts, icons, images, illustrations and color palette which create the ultimate look and feel of a website. The mood board that best captures the Exchange's strategic priorities and resonates with target audiences will be selected. GMMB's proposal for this work is included in Attachment E.

The Exchange will ensure that the website design meets standards for user accessibility, is Section 508 compliant, follows the Americans with Disability Act requirements, follows best practices for usability, and connects to the back-end Exchange functions. In addition, the content for the website will use best practices for plain talk, so that most everyone can understand and actively use the website. Usability testing with appropriate stakeholders will be conducted on the final website product. The content will be submitted to HHS for comment.

Once the website is launched, the Exchange will provide a fully functioning online comparison tool with pricing information and online enrollment functionality. The Exchange will continually update the website based on consumer testing and stakeholder feedback.

The Exchange will provide training on the website for navigators, brokers and other stakeholders.

Quality Rating System: Using funds from the Level Two Establishment grant, Washington State's Exchange will likely partner with the Puget Sound Health Alliance (and other organizations and contractors as needed) to understand what data consumers need to make informed health plan decisions, what health plan data are currently available in Washington State and how the Exchange can make the information accessible for consumers. The ultimate rating criteria will be decided by the Exchange Board following appropriate stakeholder consultation. This proposal includes support for operationalizing the quality rating tools, and incorporating the technical design, and development of web-based reporting. The Exchange will integrate the rating process with the QHP procurement strategy, and will include specifications in the QHP procurement on reporting quality data. The Exchange will post quality rating information on the Exchange website prior to the commencement of open enrollment in 2013.

Recently passed legislation adds a consumer rating system that includes quality measures in addition to measures included as ACA requirements for QHPs. The Exchange has included quality rating functionality in the business requirements for the systems infrastructure and website design. In addition, the Exchange will develop an implementation plan for ongoing data maintenance and updating of ratings, and will continually update the ratings on the website.

Navigator Program: Washington State will use Level Two Establishment grant funding to continue work defining and implementing its Navigator strategy. The Exchange will continue to conduct stakeholder meetings to inform the development

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of the Navigator certification criteria, potential navigator organizations, and compensation models and will look to other states' progress in this area. Specifically, the Exchange will contract with Wakely to develop specific milestones and performance measures to evaluate selected Navigators once operational; establish policies and procedures for Navigators, including a Code of Ethics; project the financial needs of the program; and develop training materials and evaluation metrics. This work will include the development of an RFP and contract process. Washington State recognizes the potential overlap of the Navigator program with Customer Service Organizations and Statewide Health Insurance Benefits Advisors (SHIBA) and will proceed appropriately.

The Exchange will identify infrastructure needs for the Navigator program, and will hire staff accordingly. The Exchange will establish criteria for the Navigator program, and will create a list of potential organizations that could serve in this role. They will then select and designate Navigators, award grants through Exchange funding, train and certify Navigators, and launch the program. Navigator training materials will be developed by various consultants including Wakely, GMMB, as well as organizations such as OIC and others. An organization will be contracted with to conduct training throughout the state. All Navigators will be required to submit reports on their performance.

This work will be completed in April 2013. Exchange staff will continue to work with Wakely to explore the sustainability of the Exchange especially regarding the Navigator program and assess its longer-term impact on Exchange financing. In 2014, the Exchange will begin its 2015 Navigator selection process.

Eligibility Determination for Exchange participation, advanced payment of premium tax credits and cost-sharing reductions: Using Level Two Establishment Grant funds, Exchange operations and IT staff will work with Cambria to continue to develop processes including use cases and business rules that will govern the eligibility for premium tax credits and cost-sharing reductions. The Exchange will work with Medicaid's eligibility team to facilitate the building of joint business rules. The work will include the development of processes to verify applicants' citizenship and income with the federal hub; to identify special populations such as American Indian and Alaska Native populations; and to provide assistance to individuals who are not immediately determined eligible for financial assistance. Cambria will also work with Washington State staff to identify potential eligibility exemptions and develop policies and workflows to address the identified exemptions.

The Exchange will develop requirements with Medicaid and DSHS on integrating enrollment and eligibility transactions, coordinating appeals, coordinating applications and notices, and managing transitions (including data conversions). In addition, the Exchange will determine the impact of the Federal Basic Health option on eligibility, contingent on the program moving forward. This policy decision will be iteratively integrated into the systems development; however, upon launch the Exchange will begin conducting eligibility determination.

Seamless eligibility and enrollment process with Medicaid and other state subsidy programs: Much of Washington State's work in this core area is under the IT systems execution. However, there are a number of policy activities that to date, have been at a high level. During the Level Two Establishment Grant phase, Exchange staff will work with Washington State staff to ensure that these policy activities are completed. First, the development of a joint application that meets the needs of the Exchange, Medicaid and CHIP. This draft application will need to meet requirements specified by CMS. In addition, detailed business rules to govern the eligibility determination process in collaboration with Medicaid will be formulated.

Enrollment Process: The Exchange will work to ensure that the technological and programmatic components of enrollment are fully developed prior to the initial enrollment period (2013). The Exchange has initiated work groups to discuss Exchange functions in detail. These work groups will ensure that the Individual, SHOP, Plan Management, and Financial Management functions have synergy and coordination in their plans for Enrollment.

Among the workgroups, plan management is crucial to success. In order to prepare for a timely implementation of plan management, the Exchange intends to introduce this functionality via an initial and a final release of the information technology component. By early January 2013, policy and program work with issuers will occur, enabling an initial release that allows for the entering of plan data and the completion of some preliminary analysis. By July 2013, the Exchange will release a second iteration, which will allow potential consumers to look at plans, and complete plan comparisons.

The Exchange is also collaborating with issuers on the development of an enrollment and billing timeline for QHPs offered in the individual and SHOP Exchanges. The timeline establishes processes that allow consumers to enroll in coverage and for the Exchange and issuers to manage the flow of private and public contributions to the total premium for enrollees. The timeline will include billing and payment dates and accommodate the need for grace periods the transfer of enrollment and premium data between the Exchange, consumers, issuers, and possibly, federal agencies.

In addition to preparing for a successful implementation of the Plan Management functionality, the Exchange has additional strategies for success. In early 2012, staff began meeting with issuers and will continue these meetings for their input on many aspects of the Exchange, including enrollment. Based on conversations with CMS, Washington State is aware of the fast-paced schedule that is required, and is carefully considering how to mitigate any risks that could affect the plan management implementation schedule.

The Exchange is also coordinating with Medicaid on enrollment of eligible individuals in Medicaid managed care plans. The plan selection and enrollment process for Medicaid eligible individuals will continue to occur in the ProviderOne system. Eligible individuals will be notified of their Medicaid managed care plan through the Exchange in a way that is consistent with those enrolling in QHPs.

Application and Notices: Before Washington State's Exchange can enroll individuals and businesses into QHPs, there are a number of tasks related to application and notices that will need to be completed. As mentioned above, Exchange staff will review CMS' example application to determine if the State's draft application will meet the requirements specified by the Federal government. When the application is finalized, UX2014 design elements will be used to create a dynamic web application. This application will need to be tested to ensure the information is being properly collected and processed. A paper notification process will be developed in conjunction with Medicaid and CHIP to ensure appropriate notification of eligibility status is conveyed to all applicants.

Individual responsibility determinations: The Exchange will continue to define detailed business requirements for this process as further guidance is released from HHS and as IT systems design occurs. The Exchange will develop estimates of the likely number of exemptions. A preliminary process flow of how certificates of exemption will be handled has been established, however, details of this process will be developed during the Level Two Establishment grant period.

The Exchange will use validated data and responses from federal and other data sources to determine and communicate exemptions. The IT system will include processes for resolution of data discrepancies and will include the appropriate notifications of exemptions to federal agencies and applicants. The system will also accept, manage and communicate adjudication of appeals of individual responsibility exemption determinations. The exact data feeds still need to be developed as well as identifying the number and type of staff required for the limited hands-on process. Once data and staffing needs are identified, the Exchange will make appropriate hires. Upon launch, the Exchange will begin processing exemptions from individual responsibility requirements and will report outcomes to HHS.

Administration of premium tax credits and cost-sharing subsidies: Upon establishing whether the Exchange will aggregate premiums, during the Level Two Establishment Grant phase, Exchange staff will work with Wakely on a number of tasks related to the administration of premium tax credits and cost-sharing subsidies. Wakely will develop detailed functional and technical requirements as they relate eligibility, enrollment, and financial Management of premium tax credits and cost-sharing subsidies. Detailed business rules will be implemented in the shared Business Rules Engine housed within

the Washington State Eligibility Service and specifications for electronic verifications will be developed. The Exchange will finalize its decision to aggregate tax credit payments for carriers and develop detailed reporting requirements to CMS/IRS. Because this functionality is closely integrated with IT systems, Exchange staff will need to provide oversight of Exchange System Integrator Vendor design and development activities.

Adjudication of appeals of eligibility: During the Level Two Establishment Grant phase, Washington State will create a process flow for how the appeals process will be coordinated across the Exchange and Medicaid. This includes developing an operations plan for managing appeals, and creating training materials for call center staff, eligibility workers, Navigators, and others responsible for eligibility determinations and appeals processing. These materials will be discussed with stakeholders to ensure they are understandable to consumers, and input will be incorporated into the established appeals process. In addition, Washington State will work with HHS to establish a process for referring appeals to the Federal appeals process. This includes developing systems and infrastructure capacity to administer appeals functions including the tracking of appeals, status, action taken on appeals, and noticing to consumers on appeal status and decisions.

Washington State's system will have internal component to ensure timely administrative follow-up if needed. Legal consultants and staff will also be hired during this phase to assist with the appeals activity and other legal questions that arise. Upon launch, the Exchange will begin receiving and adjudicating requests and will intuitive communication with HHS on referring appeals to a federal appeals process.

Notification and appeals of employer liability: The Exchange will develop an operational plan for the appeals function and for the requirement that employers be notified if one of their employees is determined eligible for advance payment of a premium tax credit. The Exchange will hire necessary staff to oversee the development and implementation of this appeals process, and will build the systems required to effectively operate this function and meet Federal reporting requirements.

Information reporting to IRS and enrollees: A list of mandatory and optional reports will be developed and a report schedule will be created. The Exchange will develop or acquire the necessary databases to support reporting and will identify all interfaces. When necessary, the Exchange will solicit Board and stakeholder input on the type of data the Exchange should report on. Much of the required reporting will be automated through the IT system build.

Outreach and Education: Outreach and education activities will increase during the Level Two Establishment Grant phase. Communicating the benefits and availability of the Exchange will require a combination of marketing and strategic communications outreach and a series of integrated tactics. The Exchange will develop a consumer engagement plan that outlines a diverse set of activities—some geared to specific audiences such as low-income individuals, small business owners and Navigators—but all working together as a unified campaign.

GMMB is developing a preliminary outreach and education plan which will be completed in May 2012. This plan will include a brief analysis of the opportunities and challenges around marketing the Exchange in Washington State, using information from formative research findings, as well as stakeholder input. GMMB will use that initial report to further hone in on the main components of outreach which may include:

- Grassroots activities and strategic partnerships that provide face-to-face communications with target audiences;
- Compelling TV, print, online and non-traditional advertising to introduce the Exchange to Washington residents, including eligible populations as well as policy makers, thought leaders and influencers;
- A proactive earned media strategy to push a positive narrative about the Exchange prior to and after launch;
- A thoughtful and detailed stakeholder outreach initiative working with other; government agencies, community groups and other health care stakeholders;
- A research-based Navigator outreach effort;
- A fresh and innovative small business outreach strategy; and
- Integrated social media outreach that links and maximizes earned media and online engagement.

The final Outreach and Education Plan, to include performance metrics and recommended staffing needs, will be submitted to HHS.

GMMB will launch and implement the marketing and engagement plan in May 2012 and it will continue through December 2014 and likely beyond in a scaled-back fashion. The Exchange will pursue a mid-range advertising penetration campaign. Specifics about GMMB's marketing and engagement proposal are included in Attachment I.

Risk Leveling Methods: [House Bill 2319](#) directs the Insurance Commissioner to contract with one or more nonprofit entities to administer the reinsurance and risk adjustment programs. Washington State will need to involve technical experts in the development of both programs. The Commissioner will also contract with consulting actuary, Milliman, for advice and assistance in developing and implementing the reinsurance and risk adjustment programs. Milliman's proposal for this work is included in Appendix J.

The development process for both programs must be transparent and serve to build trust in the policies and operational components. In light of those challenges, the Insurance Commissioner established a committee on reinsurance and risk adjustment to explore the development and operations of both programs. The Commissioner has been authorized to identify sources of data and have data submitted to support the development of policies for both programs.

Reinsurance: Level Two Establishment funds will be used to develop the parameters and operational structure of a reinsurance program. The funds will assist the Commissioner and the Committee in developing any necessary data structures for examining potential policies for the reinsurance program. Guided by data analysis and expert opinion from the Committee, the Insurance Commissioner will examine the federal threshold, cap, and coinsurance reinsurance parameters and determine if any state revisions are necessary. The Commissioner must also develop a framework for the payment of reinsurance claims by the program and adopt rules that establish the program. The rules of the program will establish the mechanism to collect reinsurance contribution funds and disburse reinsurance payments as well as develop a payment formula.

The Legislature further directed the Commissioner to consider a specific reinsurance mechanism. Level Two Establishment funds will assist the Commissioner's deliberations over an "invisible" high risk pool option that would cede the risk of high-risk enrollees to the transitional reinsurance program. The deliberations must include a determination as to whether such an option is authorized under the federal reinsurance program regulations. The actuarial analysis supported by the grant funds will be data-intensive and necessitate analyzing claims data on the frequency of large claims payments.

The Washington State Legislature has directed the Washington State Health Insurance Pool (WSHIP) Board to perform a study vital to covering populations that may need ongoing access to coverage in WSHIP. Grant funds will support the assessment of people with severe or chronic conditions such as end-stage renal disease or HIV/AIDS who may not receive adequate coverage in 2014. The funds will assist the WSHIP Board's development of recommendations on modifying pool eligibility requirements for new and ongoing enrollment after December 31, 2013. The report must also analyze current pool assessment requirements in relation to assessments that would fund the reinsurance program. The WSHIP Board will also recommend whether the categories of members paying assessments should be adjusted to make the assessment fair and equitable among all payers. The report will be submitted to the Governor and Legislature by December 1, 2012.

Risk adjustment: The Insurance Commissioner has also been directed by the Legislature to develop and establish a risk adjustment program. Level Two Establishment funds will support the Commissioner and the committee to examine federal and state options for implementing a permanent risk adjustment program for the individual and small group markets. The funds will assist the Commissioner in evaluating whether to select the federal risk adjustment mechanism or revise the federal mechanism to better fit Washington State. The Commissioner, with guidance from the committee, will also consider parameters such as applying the mechanism concurrently or prospectively and whether to calculate state-specific weights. Grant funds will also help the committee to advise the Commissioner on data collection, storage, and management issues.

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If Washington State determines that it should modify the federal risk adjustment mechanism, the Commissioner will develop and implement a risk adjustment program in phases. First, the Committee will perform a feasibility and design phase. That initial phase will be used to identify appropriate data sources, analyze the quality and robustness of the data, and identify other data sources to accommodate any inadequacies in the data. Next, the Committee will direct Milliman to test data against an available risk adjuster. This will help the Commissioner validate the accuracy and robustness of the data. This exercise will also help to assist the state in preparing the data for a modified federal risk adjustment mechanism and will help Washington State communicate alternatives for program parameters. Finally, Milliman will perform analysis and advise the Committee on developing a modified federal risk adjustment mechanism. Year-one implementation will involve production of the assessment and the first set of risk adjustment results. Initial implementation will necessitate vigilant data management, validation and refinements of the results with industry experts, precise analytic techniques, and thoughtful communication to develop adjustment results that can be trusted.

Finally, the Legislature also directed that the reinsurance and risk adjustment programs must be governed by non-profit boards. A non-profit governing board or boards will administer the reinsurance program and the risk adjustment program in 2014. The OIC will contract with the non-profit governing entities. While WSHIP is a candidate to govern and administer either or both programs, it will need to prepare to modify its operations before it could govern and administer either program. The Legislature, consequently, has authorized WSHIP to begin pre-operational planning to become the governing entity for either the reinsurance or risk adjustment programs. WSHIP needs to develop a plan of operations, review and draft bylaws, review consulting needs and staffing expertise, and plan for contracting for assistance from vendors. Grant funds will support WSHIP with the necessary legal, policy, and actuarial services to perform the planning.

SHOP-Exchange Specific Functions: The Exchange will develop system and operational processes for the administrative duties to be facilitated with small employers, including information to help them determine if they qualify for the small business tax credits. A SHOP Director will be hired to direct the activities around the SHOP-specific functions of the Exchange. Additionally, the Exchange will develop a strategy and specific business requirements for the on-line shopping experience and premium aggregation functions. The Exchange will conduct regular meetings with small business stakeholders to understand the needs of small employers and how SHOP can best meet those needs. The Exchange will continue to engage consultants, experts and stakeholders on the design and implementation options for SHOP to maximize the viability and effectiveness of the program, and will also consider other services that might be provided to attract and support small employers and their employees to the program.

iii. SUMMARY OF IT GAP ANALYSIS

Current Washington State Technical Architecture: The technical landscape that supports Washington State's current health related systems is diverse in its outlay and includes a variety of technologies from legacy mainframe components to end-user interfaces built with fourth generation language. The main health IT systems for Washington State are ACES, which is the eligibility determination system for Medicaid and human services benefit, and ProviderOne, the newly implemented state Medicaid Management Information System (MMIS). Other IT systems either directly related to or facilitating health information systems, were reviewed for potential components that could be leveraged to support the Washington State Exchange. These include the SIMBA system at the Office of Insurance Commissioner (OIC), which manages issuers and plans certifications for Washington State, and the upcoming Client Hub from the Department of Social and Health Services (DSHS) providing a single identity to customers of DSHS programs.

The State completed an IT Gap Analysis as part of its Planning Grant. In summary, the opportunities for reuse and leveraging include:

System	Opportunity Description	Decision Status
Service Based DSHS Architecture	Leverage DSHS knowledge and expertise in eligibility determination to build a new Exchange Eligibility Service using server based technologies like Java, web services, DB2, WebSphere MQ and the iLog rules engine.	Selected and approved for leveraging.
ProviderOne (MMIS) Health Care Authority	Leverage ProviderOne for auto-assigning Medicaid clients to a managed care plan and completing enrollments in Medicaid plans.	ProviderOne will be used to enroll Medicaid clients and the Exchange will enroll non-Medicaid clients.
SIMBA (OIC)	Leverage data about issuers, plans and providers.	Under consideration.
Client Hub (DSHS)	Leverage unique customer identity between the Exchange and DSHS. Facilitates referrals between the Exchange and DSHS for the non-MAGI Medicaid clients and the human services clients.	Selected and approved for leveraging.
Federal Identity Proofing Service (CMS)	Leverage identity proofing service to ensure appropriate level of assurance for identity of Exchange customers. The service supports electronic identity proofing.	Under consideration.

iv. EVALUATION PLAN

An effective evaluation plan is a key component of successful Exchange planning, establishment, and operations. In the Level One Establishment Grant phase, Wakely provided a preliminary evaluation plan to help ensure that project milestones are met and once the Exchange is operational, to allow Washington State and other interested parties to monitor the performance of the Exchange. A summary is included below and the full plan is included as Evaluation Plan Attachment.

The preliminary evaluation plan proposes key indicators to be measured, discusses baseline data, proposes methods for monitoring progress, and details a plan for timely interventions if targets are not met. This approach focuses on developing the evaluation tools that will be necessary to measure the performance of Washington State’s Health Benefit Exchange, both in the implementation and the operations phase. In addition to these performance metrics, it is suggested that broader, population-based metrics to assess the impact of Exchange and health reform implementation on Washington State.

The Exchange Board will be responsible for establishing the Evaluation Plan measures. Three types of key indicators are proposed: project management metrics, operational metrics, and population-based metrics.

In the implementation phase, key indicators will include project management as well as process oriented metrics. Once the Exchange is operational, it will need to add operational and customer service metrics. In addition to project and operational metrics, Washington State will track broader, population-based measures of Exchange performance. Washington State will explore leveraging existing data collection efforts where possible in order to utilize resources most efficiently.

Project Management Metrics: Exchange implementation is a large, multi-faceted project involving significant costs, complexity, contingencies, and collaborations with multiple parties, both within and outside of government. In order for the State to ensure successful implementation, it needs an organized and systematic approach to project management.

Using the State’s project management methodology for all aspects of Exchange implementation projects should provide a consistent vehicle for communication, management, and reporting of progress. With consultative support from TSG, the

Exchange will establish a Project Management Office (PMO) for the program development that will play a particularly important role in this process by communicating to leadership what is working well and what needs improvement. In the implementation phase, the Exchange team needs to carefully identify key milestones, track progress toward those milestones, and detect when progress is behind schedule or at risk. In this phase, the work plan is an essential tool for overall project evaluation. The work plan will provide the baseline with which the PMO will track key metrics such as schedule risk (tracking task completion, targeted completion dates and “at risk” tasks), financial risk, resource allocation, scope, communications, and quality (ensuring that deliverables meet agreed upon quality standards and that milestones achieve expected results).

Operational and Customer Service Metrics: Once the Exchange is operational, it will need to continually evaluate its performance from an operational perspective. The goal of operational and customer service metrics is to make sure that the Exchange is operating effectively and efficiently, and meeting the needs of its customers. These metrics provide information that can be used to make business and policy decisions. Key operational metrics include: enrollment volume by month, by demographic characteristics, carrier distribution, geography and plan tier; subscriber persistency, applications and cancellations per month, paid members per month compared to projections, premium costs and trends over time and compared to outside the Exchange, number of appeals etc. Key customer service metrics include: website and call center volume, web site and call center level agreement metrics (wait time, length of call, abandonment rate etc.), complaints, and customer satisfaction measures.

Population Metrics: For policymakers, it will also be helpful to know what impact the Exchange and health reform, more broadly, are having on the population of Washington State. Population-based measures are used to detect broader trends in coverage, access, affordability, and health.

In an effort to use resources most efficiently, Washington will use existing data sources and data collection to provide data to help assess broader impacts of the Exchange. Relevant existing sources of data include the State’s robust on-going data collection efforts as well as State-level estimates available from national surveys.

Washington State’s OFM has compiled data on employer-sponsored health insurance in the Employer Health Insurance Database. This information is collected from three main data sources: the Washington State Employee Benefits Survey, the Business Tax and Premium Database, and the Medical Expenditures Panel Survey (MEPS). The database also includes some data from the Kaiser/HRET Employer Health Benefits Survey. This database includes a wealth of information about employer insurance coverage. [The 2011 report](#) summarizes data from 2009 sources. Key indicators that the Exchange will continue to track include: employer offer and coverage rates, employer level of sponsorship and insurance premiums and cost sharing amounts.

In addition to state data collection efforts, Washington State also has access to state-level estimates from national surveys such as MEPS, CPS and the BRFSS. Additional metrics can be tracked using the following annual surveys:

- Insurance coverage distribution (Current Population Survey 2010, American Community Survey 2010)
- Percentage uninsured (Current Population Survey 2010, American Community Survey 2010)
- Percent of people with a usual source of care (Behavioral Risk Factor Surveillance System 2008)
- Percent of people with preventive care visit in the past year (Behavioral Risk Factor Surveillance System 2008)
- Percent who did not see a doctor due to cost (Behavioral Risk Factor Surveillance System 2008)

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Background Research																					
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	x	Mar-11	Sep-11	Tailored MEPS analysis	Completed - SHAP funding	x	x	x													
Using planning funding, develop Market Impact Analysis report on merging the individual and small group risk pools, redefining the small group market as 1 - 100 employees, and selecting the Federal Basic Health program.	x	Sep-10	Jun-11	Market Impact Analysis report	Completed - Planning Grant	x	x														
Assess operational resources, needs, and gaps to develop the Exchange		May-11	Nov-11	Resources and Needs Analysis	Completed - Level One Establishment		x	x	x												
Use MEPS analysis to help understand the population to be served and its health needs. Make policy recommendations and adapt exchange administrative functions, as necessary		Sep-11	Nov-11	Policy Recommendations	Completed - SHAP funding			x	x												
Using planning funding, analyze including a Basic Health program in the Exchange		Jul-11	Dec-11	Final Policy Analysis	Completed - Planning Grant			x	x												
Brief TAC and Joint Select Committee on Health Reform Implementation on Basic Health analysis		Jul-11	Nov-11	Meeting Notes	Completed - Planning Grant			x	x												
Continue to refine Exchange populations estimates and test assumptions		Mar-11	Ongoing		Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Stakeholder Consultation																					
Establish and convene stakeholder groups including insurance carriers, providers, consumer advocates, employers, brokers, tribes, and veterans.		Nov-10	Apr-11	Meeting agendas and materials	Completed - Planning Grant	x	x														
Establish and convene secondary meetings with stakeholders to discuss passed legislation and further Exchange development		May-11	Mar-12	Meeting agendas and materials	In Progress - Level One Establishment		x	x	x	x											
Establish Technical Advisory Committee to serve as Exchange leadership until governance board is in place		Jun-11	Mar-12	TAC guiding principles	Completed - Planning Grant		x	x	x	x											
Brief TAC and Joint Select Committee on policy issue analyses		Jul-11	Nov-11	Meeting Notes	Completed - Planning Grant			x	x												
In cooperation with the American Indian Health Commission (AIHC), fund an impact analysis of the Exchange on the 29 federally-recognized Tribes	x	Dec-11	May-12	Final Policy Analysis	In progress - Planning Grant				x	x	x										
Establish and convene of public education meetings across the state to discuss what has been done to date around the Exchange, as well as future development.		Sep-11	Dec-14	Meeting agendas and summaries	Completed - Level One Establishment and Ongoing			x	x	x	x	x	x	x	x	x	x	x	x	x	
Continue regular stakeholder meetings as part of our planning and design processes		Nov-10	Ongoing	Meeting summaries	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Contine to present about Exchange planning and implementation at conferences and events		Nov-10	Ongoing		Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Work with Medicaid to define and develop a methodology for identification of AI/NA for Transitional Bridge Waiver (will then be used for the Exchange)		Jun-12	Sep-12				x	x	x	x	x										
Regularly convene AIHC and tribal workgroup to receive feedback on Exchange issues	x	May-11	Dec-14		Ongoing		x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Consult with Tribes on Exchange implementation and distribute Exchange-related publications and reports		May-11	Dec-14		Ongoing		x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Fund continued impact studies and reports through AIHC		May-12	Dec-14							x	x	x	x	x	x	x	x	x	x	x	
Solicit public comment at Exchange Board meetings		Mar-12	Ongoing		Ongoing					x	x	x	x	x	x	x	x	x	x	x	
Solicit public comment on policy papers related to the Exchange		Jul-11	Dec-14	Draft and Final Policy Analyses	Ongoing			x	x	x	x	x	x	x	x	x	x	x	x	x	
Post meeting materials, agendas, and summaries on the Exchange website as well as the Exchange listserv	x	Nov-10	Dec-14	Meeting agendas and summaries	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Legislative and Regulatory Action																					
Limited enabling legislation passes	x	Apr-11	Apr-11	SSB 5445	Completed - Planning Grant		x														
Draft legislation to address additional duties and responsibilities of the Exchange, establish legal authority necessary to establish and operate an Exchange	x	Sep-11	Dec-11	List of 2012 Legislative Priorities	Completed - Level One Establishment			x	x												
Pass legislation on authority and major Exchange policy decisions	x	Jan-12	Mar-12	HB 2319	Completed- Level One Establishment					x											
Provide briefing for Legislature of decisions needed to be made through legislation on an as-needed or as-requested basis		Nov-11	Ongoing	Briefing to legislature	Ongoing				x	x	x	x	x	x	x	x	x	x	x	x	
Continue to review HHS Proposed Rules and submit all relevant comments		Jan-11	Ongoing	Comments	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Evaluate the need for additional legislation and draft necessary legislation if needed		Mar-10	Ongoing		Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Governance																					
Evaluate Exchange governance structure options (State agency, quasi-governmental agency, or non-profit) and facilitate discussions with stakeholder regarding preferred model	x	Jul-11	Nov-11	Governance issue brief	Completed - Planning Grant			x	x												
Decide on governance structure	x	Nov-11	Mar-12	SSB 5445	Completed - Level One Establishment				x	x											
Legislature nominates candidates and Governor appoints Exchange governance board	x	Oct-11	Dec-11	Press release	Completed - Level One Establishment				x												
Conduct board orientation and establish meeting schedule		Jan-12	Mar-12	Board meeting notes	Completed - Level One Establishment					x											

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Establish bylaws and other standards consistent with State and Federal requirements including public accountability, transparency, and conflicts of interest		Feb-12	Mar-12	Board bylaws	Completed - Level One Establishment					x											
	Hire an executive director and other staff to oversee operations of the Exchange		Feb-12	Jul-12		In Progress - Level One Establishment					x	x	x									
	Review bylaws and make changes, as necessary for the Exchange to evolve		Mar-12	Ongoing	Revised by-laws	Ongoing					x	x	x	x	x	x	x	x	x	x		
	Establish policy and procedures for the Exchange through the advice of HCA and other state agencies		Mar-12	Ongoing	Exchange policies and procedures	Ongoing					x	x	x	x	x	x	x	x	x	x		
Program Integration																						
	Perform detailed business process documentation to reflect current State business processes, and include future State process changes to support proposed Exchange operational requirements.	x	Jul-11	Nov-11	Resources and Needs Analysis	Completed - Level One Establishment																
	Establish the National Health Reform Steering Committee comprised of executive-level representatives from the Governor's Office, OFM, the Health Care Authority, Medicaid, the Office of the Insurance Commissioner, and the Department of Social and Health Services. Hold regular meetings to develop workplans for collaboration	x	Jan-11	Dec-14	Charter	Completed - Level One Establishment and Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
	Establish and conduct regular meetings with the OIC on roles and responsibilities, limiting adverse selection, QHP certification, and other issues	x	Mar-11	Dec-14	Work group for insurance market integration	Completed - Level One Establishment and Ongoing					x	x	x	x	x	x	x	x	x	x		
	Work with OIC to analyze adverse selection for individual and small group plans inside and outside the Exchange, and risk selection within the Exchange		May-11	Dec-11	Market Rules Draft Issue brief	Completed - Level One Establishment																
	Collaborate with Medicaid on the development of business rules and systems needed to facilitate "no wrong door" eligibility determinations		Mar-11	Jun-13		In Progress - Level One Establishment	x	x	x	x	x	x	x	x	x							
	Work with OIC to ensure OIC-collected information will be shared with the Exchange to ensure QHPs meet state insurance regulations		May-11	Jul-12		In Progress - Level One Establishment					x	x										
	Ensure way to share Exchange-collected data on QHPs with OIC		May-11	Jul-12		In Progress - Level One Establishment					x	x										
	Create internal work group with Medicaid to evaluate roles/responsibilities, ongoing collaboration, and any issues/challenges with shared business functions (eligibility, enrollment, IT systems, customer service, etc...)	x	Mar-11	Dec-14	Memoranda of Understanding/meeting agenda/workgroup composition	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x		

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Coordinate with HCA and Legislature as report is developed whether to proceed with implementation of Federal Basic Health Option		Mar-12	Ongoing					x	x	x	x	x	x	x	x	x	x	x	x	x	
	Working with OIC, draft internal operating agreements		Dec-11	Dec-12		Ongoing			x	x	x	x										
	Coordinate work group options/recommendations with issuers and other private entities who will be involved in integration		Feb-12	Sep-14	Memo on options/recommendations for areas of overlap	Ongoing				x	x	x	x	x	x	x	x	x	x	x		
	Develop detailed business processes and memorandums of understanding for interagency collaboration with HCA, DSHS and OIC		Apr-12	Jul-12							x	x										
	Fund Manatt Health Solutions for a legal and policy analysis on Medicaid and the Exchange issues		Sep-12	Dec-12								x	x	x	x	x	x	x	x	x	x	
	Fund Institute for Health Policy Solutions for a policy analysis on churn between Medicaid and the Exchange		Sep-12	Jun-12								x	x	x	x	x	x	x	x	x	x	
	Test information sharing with state agencies		1Q13	2Q13										x	x							
Exchange IT Systems - IT workplan provided at end of document																						
Financial Management																						
	Adhere to HHS financial monitoring activities carried out under the Exchange grants	x	Jan-11	Dec-14		Completed - Level One Establishment and Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
	Assess resources, needs, and gaps to develop a financial management structure for the Exchange		May-11	Nov-11	Resources and Needs Analysis	Completed - Level One Establishment		x	x													
	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		Sep-11	Feb-12	Exchange Budget	Completed - Level One Establishment				x												
	Summarize options for sustainability: what operational costs are estimated to be, what assessments options are, and what is most feasible	x	Jul-11	Mar-12	Self Sustainability Analysis	Completed - Level One Establishment				x												
	Present sustainability plan and financial management structure to Board		Mar-12	Mar-12		Completed - Level One Establishment				x												
	Establish interim financial management structure and commit to hiring experienced accountants to support financial management activities of the Exchange	x	Jan-11	May-11	Staffing Plan	In Progress - Level One Establishment	x	x	x	x												
	Establish procedures for external audit by a qualified auditing entity to perform an independent external financial audit of the Exchange		Apr-12	May-12	External audit procedures	In Progress - Level One Establishment					x											
	Draft legislation on potential funding mechanisms for the Exchange (if necessary)		Jan-12	Dec-12						x	x	x	x									
	Hire Senior Level Finance personnel		Apr-12	May-12							x											
	Hire Accounting & Budgeting personnel		Mar-12	Aug-12						x	x	x										

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Fund Clark Nuber to develop the Exchange accounting and reporting structures, as well develop of the accounting and financial management technology solutions.		May-13	Dec-14							x	x	x	x	x	x	x	x	x	x		
	Begin assessment of accounting and financial reporting software and hardware available in the market		Apr-12	Jun-12						x												
	Develop a work plan for the build out of an Exchange financial infrastructure		Jan-12	May-12					x	x												
	Develop transition plan for management of grant funding from state agencies to the Exchange		Feb-12	Jul-12		Ongoing				x	x											
	Develop the Exchange banking function		Apr-12	Jul-12						x	x											
	Develop accounting policies and procedures		Apr-12	Dec-12						x	x											
	Ongoing quarterly budget modeling and refinements		Dec-11	Ongoing		Ongoing			x	x	x	x	x	x	x	x	x	x	x	x		
	Conduct internal assessment of adequacy of the accounting and financial reporting systems of the Exchange	x	Sep-12	Dec-12							x	x										
	Conduct a third party objective review of all systems of internal control	x	Sep-12	Dec-12							x	x										
	Demonstrate capability to manage the finances of the Exchange soundly, including the ability to publish all expenses receivables, and expenditures consistent with federal requirements	x	Jan-13	Apr-13									x	x								
	Post information related to Exchange financial management on its website and has identified other means to make financial activities associated with the management of the Exchange transparent		Jan-14	Mar-14														x	x	x	x	
	Submit annual accounting report to HHS	x	Jan-14	Dec-14														x	x	x	x	
Oversight and Program Integrity																						
	Develop state financial policies to ensure prevention of FW&A related to expenditure of Exchange Planning and Establishment Grant	x	Jan-11	Jan-11	Statewide Single Audit	Completed - Level One Establishment	x															
	Assess adequacy of accounting and financial reporting systems at existing state agencies. Develop high-level implementation plan for Exchange oversight and program integrity		Sep-11	Jan-12	Wakely Financial model and Operational plan	Completed - Level One Establishment			x	x	x											
	Develop agency policies to bridge between state financial policies and federal grant policies		Jan-11	Apr-12	Policies and Procedures	In Progress- Level One Establishment	x	x	x	x	x											
	Research and evaluate internal control and program integrity best practices in the private market and in government agencies		Apr-12	Jul-12	Memorandum					x	x											
	Hire staff responsible for oversight and program integrity function	x	Apr-12	Dec-12						x	x	x										

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Plan and implement accounting systems and procedures, reporting needs, and the reconciliation of major accounts for the Exchange		May-12	Sep-12	Recommendations on financial controls						x	x										
	Establish document retention policies		May-12	Jul-12							x	x										
	Establish procedures for external audit by a qualified auditing entity to perform an independent external financial audit of the Exchange	x	Apr-12	May-12	External audit procedures						x											
	Comply with HHS reporting requirements related to auditing and prevention of FW&A	x	May-12	Ongoing	Reports to HHS	Ongoing					x	x	x	x	x	x	x	x	x			
	Fund Clark Nuber to develop financial operations and integrity plan		Dec-12	May-13	Financial operations and integrity plan								x	x								
	Fund Clark Nuber to establish fraud detection procedures and identify areas of potential FW&A	x	Jan-13	Mar-13	Fraud detection procedures									x								
	Collaborate with Medicaid on the development of program integrity policies and procedures related to eligibility determinations		Jan-13	Apr-13										x	x							
	Perform ongoing assessment of internal controls to eliminate fraud/abuse		Mar-11	Dec-14		Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x			
	Develop procedures for reporting to HHS on FW&A	x	Apr-13	Apr-13	Procedures for preventing fraud, waste and abuse										x							
Health Insurance Market Reforms																						
	Assist OIC with the implementation of early insurance market reforms		Mar-10	Jan-12		Completed - Level One Establishment	x	x	x	x	x											
	Assess options on ways to mitigate adverse selection across markets and inside and outside of the Exchange		Aug-11	Dec-11	Market Rules Draft Issue brief	Completed - Level One Establishment			x	x												
	Perform actuarial analysis of HHS guidance on essential health benefits and develop recommendations.		Oct-11	Dec-11	Washington State Essential Health Benefit Analysis	Completed - Level One Establishment				x												
	Introduce legislation for essential health benefits		Jan-12	Mar-12	HB 2319	Completed - Level One Establishment					x											
	Fund Milliman for econometric and actuarial analysis of Exchange coverage		Mar-12	Dec-14						x	x	x	x	x	x	x	x	x	x			
	Fund Milliman to perform a preliminary quantitative and qualitative analysis of market rules		Mar-12	Dec-14	Final analysis					x	x	x	x	x	x	x	x	x	x			
	Fund OIC to perform actuarial analysis of state-mandated benefits		Mar-12	Dec-14	Final analysis					x	x	x	x									
	Ensure compliance and coordination with ACA and state private insurance reforms		Mar-10	Dec-14		In-progress and ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x			
Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints																						
	Evaluate lessons learned from Health Insurance Partnership (HIP)		Mar-10	Dec-11		Completed - Level One Establishment	x	x	x	x												
	Assess and collect data on the current availability of consumer assistance services	x	Nov-11	Dec-14	CHOICE Inventory	Completed - Level One Establishment and Ongoing				x	x	x	x	x	x	x	x	x	x			
	Examine the role of Navigators		Nov-11	Jul-12	Navigator Recommendations	Completed - Level One Establishment and Ongoing				x	x	x										

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Determine whether the state will operate consumer assistance functions within the Exchange, what protocols are necessary, and how information will be collected and transferred, as appropriate		Jan-12	Apr-12		In Progress - Level One Establishment					x	x	x									
Monitor CAP best practices in other states		Jul-12	Dec-14		Completed and ongoing - Level One Establishment							x	x	x	x	x	x	x	x		
Establish protocols for appeals of coverage determinations, including review standards, timelines, and provisions for consumers during the appeals process	x	Jul-12	Jul-12	Policies and Procedures								x									
Draft scope of work for building capacity to handle coverage appeal functions	x	Aug-12	Aug-12									x									
Establish metrics to measure effectiveness of the Exchange in meeting the needs of consumers		Jul-12	Dec-12									x	x								
Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen QHP accountability and functioning of the Exchange	x	Oct-12	Dec-12																		
Work with the OIC to establish a process for reviewing consumer complaint information collected by state consumer assistance programs when certifying QHPs	x	Feb-13	May-13											x	x						
Establish a process for referrals to other consumer assistance programs if available	x	Feb-13	May-13											x	x						
Develop a process to track complaints and monitor trends		Jul-13	Dec-13													x	x				
Ensure any consumer complaints or coverage appeal requests are referred directly to the state program that is designated to process these calls	x	Oct-13	Ongoing															x	x		
Bus Ops - Certification, Recertification, and Decertification of QHPs																					
Begin to establish a strategy and timeline for QHP certification	x	Aug-11	Oct-11	Draft Policy brief	Completed - Level One Establishment				x	x											
Draft legislation that provides guiding principles for the Board in certifying QHPs.		Jan-12	Jan-12	HB 2319	Completed - Level One Establishment					x											
Develop a clear certification process including a timeline for application submission, evaluation, and selection of QHPs	x	Dec-11	Mar-13		Ongoing				x	x	x	x	x	x							
Engage stakeholders to gather input on potential certification criteria	x	Aug-11	Ongoing		Ongoing				x	x	x	x	x	x	x	x	x	x	x		
Develop certification options and criteria for Board		Dec-11	Mar-13	Recommendations					x	x	x	x	x								
Fund consultant to provide analysis of offering stand-alone dental plans through the Exchange		May-12	Dec-13	Recommendations						x	x	x	x	x	x	x					

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Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Fund the OIC to subcontract an econometric and actuarial analysis for QHP market effects and potential carrier response		Mar-12	Jun-13	Recommendations						x	x	x	x	x							
	Conduct meetings with Washington issuers to identify key issues and processes for QHP certification		Jan-12	Dec-12		In Progress					x	x	x	x								
	Develop an RFP for QHP certification		Mar-12	Jun-12	RFP					x	x											
	Draft certification documents that will be used in connection with certification of QHPs	x	Mar-12	Jun-12	Certification documents					x	x											
	Engage stakeholders in development of solicitation for proposals		May-12	Jun-12						x	x	x	x	x								
	Release solicitation for certification of QHPs, conduct bidders conference, respond to bidder questions	x	Sep-12	Jan-13							x	x	x									
	Hire staff for QHP certification and procurement.	x	Jul-12	Oct-12							x	x										
	Launch plan management and bid evaluation systems to allow for upload of bids	x	1Q13	2Q13										x	x							
	Begin training health plans to become QHPs	x	1Q13	1Q13										x								
	Solicit premium quotes from health plan issuers who responded to the solicitation	x	1Q13	2Q13										x	x							
	Receive responses for certification (required to be submitted online)	x	2Q13	2Q13											x							
	Finish negotiations, complete contracts, and announce QHPs	x	2Q13	2Q13											x							
	Conduct plan readiness reviews/activities (e.g., test enrollment interfaces with plans, review member materials, test financial reconciliation, cross functional implementation sessions with plans etc.)	x	2Q13	2Q13											x							
	Issue an announcement on the selection of QHPs to the public	x	Jul-13	Jul-13												x						
	Monitor the QHPs for practices, conduct, pricing, and products inside and outside the Exchange	x	Jan-14	Ongoing	Performance Reports													x	x			
Call Center																						
	Meet with Medicaid officials to discuss existing call center system functions	x	May-11	Jul-11		Completed - Level One Establishment		x	x													
	Identify Exchange customer service needs and best approach to call center		Oct-11	May-12	Wakely Recommendations & Operational Plan	In Progress - Level One Establishment				x	x											
	Finalize agreement with Medicaid on a joint call center		Mar-12	Apr-12						x	x											
	Finalize details about where transitions between the call center and existing entities will occur		Mar-12	Jun-12						x	x											
	Develop business process flows for customer experiences		Mar-12	Jun-12	Business process flows					x	x											
	Decide whether SHOP Exchange needs a separate call center or if they can be combined		Mar-12	Jun-12						x	x											
	Develop criteria for RFP to select a vendor to operate call center		Jun-12	Jun-12	RFP						x											

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Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Release RFP for bids		Sep-12	Sep-12									x									
Complete call center procurement process and select a vendor to operate the call center	x	Dec-12	Feb-13										x	x							
Establish back end IT infrastructure that connects customer service vendor with customer data held in Exchange systems - reword		Feb-13	May-13											x	x						
Develop a call center customer service representative protocols and scripts to respond to likely requests	x	Feb-13	Feb-13	Policies and Procedures										x							
Develop protocols for accommodating the hearing impaired and those with other disabilities and foreign language and translation services	x	Feb-13	Feb-13	Policies and Procedures										x							
Train call center representatives on eligibility verification and enrollment processes	x	Mar-13	Mar-13	Knowledge Center										x							
Launch call center functionality and publicize 1-800 number. Post information on the Exchange website related to contacting the call center for assistance.	x	Jul-13	Sep-13													x					
Ongoing customer service performance monitoring and vendor oversight		Jul-13	Ongoing													x	x	x	x	x	x
Exchange Website and Premium Tax Credit and Cost-sharing Reduction Calculator																					
Develop early high-level systems and program operations requirements: - Requirements related to online comparison of QHP - Requirements related to online application and selection of QHPs - Premium tax credit and cost-sharing reduction calculator functionality - Requests for assistance - Linkages to other State health subsidy programs, and other health and human services programs as appropriate	x	Jan-11	Nov-11	Business architecture	Completed - Level One Establishment	x	x	x	x												
Develop a system to ensure system development and operational development are coordinated		Dec-11	Mar-12		Completed - Level One Establishment				x	x											
Conduct focus groups to decide on the graphic design of the website and incorporating the Exchange "brand"		Nov-11	Apr-12	Brand templates	Completed - Level One Establishment				x	x	x										
Conduct IT requirements development sessions to provide further detail on early systems and operations requirements		Feb-12	Jul-12		Ongoing - Level One Establishment					x	x	x									
Use outreach and education consumer group to test information to be posted on informational website		Jun-12	Apr-13						x	x	x										
Using UX2014 wireframes, fund GMMB to integrate brand and communication research with website design		Jun-12	Dec-14							x	x	x		x	x	x	x	x	x	x	x
Submit content for information website to HHS for comment	x	Sep-12	Sep-12									x									
Complete System development and final user testing of informational website	x	Oct-12	Dec-12									x									
Launch information website	x	Jan-13	Jan-13											x							

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Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Evaluate best practices to ensure website usability		Jan-13	Jun-13												x	x					
Create training for web functionality to be used by navigators, brokers, and other stakeholders		2Q13	3Q13													x	x				
Present website/calculator to board		Jul-13	Jul-13	Recommendations													x				
Incorporate all feedback into website development		Aug-13	Aug-13														x				
Launch fully functioning online comparison tool with pricing information and online enrollment functionality		Sep-13	Sep-13														x				
Continually update website based on consumer testing and stakeholder feedback		Sep-13	Ongoing														x	x	x	x	
Ensure website connectivity at Navigator offices		3Q13	3Q13														x				
Quality Rating System																					
Review ACA requirements and subsequent guidance for plan quality rating system		Jun-11	Ongoing		In progress. ACA review complete; awaiting additional federal guidance	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Research and evaluate existing sources of quality data for draft criteria. Utilize federal quality rating system developed by HHS for draft contract with QHPs	x	Mar-12	May-12		In Progress - Level One Establishment					x	x										
Incorporate rating system into system and website development	x	Jan-12	Apr-13	Business architecture	In Progress - Level One Establishment					x	x	x	x	x	x						
Consult with stakeholders to obtain input in quality rating program development		Jan-12	Dec-12							x	x	x	x								
Work with the Puget Sound Health Alliance (and other organizations as needed) to explore currently available information and options for dissemination		Jan-12	Jul-12		Ongoing					x	x	x									
Integrate the rating process with the QHP procurement strategy and will include specifications in the QHP procurement on reporting quality data		Mar-12	Dec-12	RFP/QHP contracts						x	x	x	x								
Discuss with Board whether additional requirements should be added to the federal design of the rating system		May-12	May-12	Recommendations							x										
Board votes on quality rating requirements		May-12	May-12	Rating criteria							x										
Post quality rating system information on the Exchange website	x	Jul-13	Jul-13														x				
Develop implementation plan for ongoing data maintenance and updating ratings		Jul-13	Dec-13														x	x			
Continually update quality rating information on the Exchange website and for call center representatives as it becomes available	x	Jul-13	Ongoing														x	x	x	x	
Navigator Program																					
Meet with OIC to discuss functionality and lessons learned from the Statewide Health Insurance Benefits Advisors (SHIBA)	x	Apr-11	Jul-12		Completed - Level One Establishment		x	x	x	x	x										

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Review ACA and subsequent federal guidance on Navigator program requirements		Jul-11	Dec-13	Wakely draft Operations Plan Report	Completed - Level One Establishment and Ongoing			x	x	x	x	x	x	x	x	x					
	Develop recommendations for the most effective use of the Navigator program and who navigators should be, including coordinating and differentiating with the role of producers		Nov-11	Dec-11	Navigator Recommendations	Completed - Level One Establishment				x												
	Develop high level milestones and timeframes for establishment	x	Dec-11	Apr-12	Wakely draft Operations Plan Report	Completed - Level One Establishment				x	x											
	Determine financial model for Navigator program including grant fund size and revenue stream to support		Mar-12	May-12		In Progress - Level One Establishment					x	x										
	Develop Exchange oversight and quality control process for Navigator program including feedback mechanism for consumer complaints		Mar-12	May-12		In Progress - Level One Establishment					x	x										
	Convene stakeholders including consumer advocates, providers, and producers to obtain input on Navigator		Nov-11	Dec-13		Ongoing				x	x	x	x	x	x	x	x					
	Monitor other states' progress Navigator program development		Jul-11	Dec-13		In progress and Ongoing		x	x	x	x	x	x	x	x	x	x					
	Hire or designate Exchange staff responsible for Navigator program.		Jun-12	Dec-12							x	x	x									
	Establish criteria for Navigator Program and create a list of potential organization that could serve as navigators	x	Jun-12	Jul-12	Potential Navigator organizations						x	x										
	Develop process for the selection/designation of Navigators		Sep-12	Sep-12								x										
	Begin selection/designation process		Nov-12	Nov-12									x									
	Determine Navigator grantee organizations and award grants (funded from the operational funds of the Exchange)	x	Jan-13	Mar-13										x								
	Develop Navigator training curriculum and certification process		1Q13	2Q13	Training program									x	x							
	Contract with an organization which will train and certify Navigators	x	1Q13	2Q13										x	x							
	Begin Navigator program	x	3Q13	3Q13												x						
	Require quarterly reporting from Navigators on performance		Nov-13	Ongoing													x	x	x	x		
	Begin selection process for 2015 Navigators		Sep-14	Sep-14	RFP															x		
Eligibility Determination of Exchange Participation, Advance Payment of Premium Tax Credits, Cost-sharing Reductions, and Medicaid																						
	Coordinate with Medicaid/CHIP eligibility team, IT systems team, and DSHS on possibilities for eligibility determination	x	Jan-11	Ongoing		In progress - Level One Establishment and Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
	As part of IT systems plan, build business requirements for eligibility system		2Q11	4Q12		In Progress- Level One Establishment		x	x	x	x											
	Work with Medicaid eligibility team to facilitate building of business rules for eligibility for Medicaid		4Q11	4Q12		In Progress- Level One Establishment			x	x	x	x										
	Brief Governor and Legislature on policy recommendation regarding eligibility determinations		Dec-12	Dec-12		Completed - Level One Establishment							x									

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Begin developing requirements with Medicaid and DSHS on integrating enrollment and eligibility transactions, coordinating appeals, coordinating applications and notices, managing transitions (including data conversion)	x	4Q11	4Q12					x	x	x	x										
	Develop processes for identity verification of applicants		Jan-12	Dec-12		In progress - Level One Establishment and Ongoing					x	x	x	x								
	Develop processes for citizenship and income verification with the federal data hub		Jan-12	Dec-12						x	x	x	x									
	Develop process for identifying special populations such as American Indian and Alaska Native populations		May-11	Dec-12		In Progress		x	x	x	x											
	Determine process for individuals who are not immediately able to be determined eligible for Medicaid and advance premium tax credits		Jan-12	Dec-12						x	x	x	x									
	Determine impact of Basic Health program on eligibility (contingent on state funding)		Mar-12	Dec-12							x	x	x									
	Identify potential eligibility exemptions and develop policies and workflows to address		Jan-12	Dec-12		In progress and ongoing					x	x	x	x								
	Begin conducting eligibility determinations for the Exchange and Medicaid	x	3Q13	3Q13												x						
Seamless Eligibility and Enrollment Process with Medicaid and applicable State Health Subsidy Programs - in IT operational plan																						
	Coordinate with Medicaid to develop a single application and eligibility process for public insurance programs and the advance premium tax credits.		Jan-11	Ongoing		Completed- Level One Establishment and Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
	Identify data sources for identity, employment and income verification		Jun-11	Nov-11		Completed- Level One Establishment and Ongoing	x	x	x	x												
	Form workgroups with Medicaid and DSHS to develop business rules surrounding seamless eligibility		Jan-11	Ongoing		Completed- Level One Establishment and Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
	Examine state and federal laws and regulations to identify data that will need to be collected to process application and determine eligibility		Jan-11	Jan-13		Completed- Level One Establishment and Ongoing	x	x	x	x												
	Decide where to house Exchange enrollment data		Jan-12	Jan-12		Completed - Level One Establishment					x											
	Develop a joint application that meets the needs of both the Exchange and the public insurance programs		1Q12	2Q13		In Progress				x	x	x	x	x	x							
	Conduct testing of enrollment process and ensure carriers are able to obtain enrollment data collected from Medicaid and the Exchange		3Q12	1Q13								x	x	x								
	Provide oversight of the eligibility engine development		1Q12	2Q13						x	x	x	x	x	x							
Enrollment Process																						

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Begin developing requirements for systems and program operations, including: providing customized plan information to individuals based on eligibility and QHP data, submitting enrollment transactions to QHP issuers, receiving acknowledgments of enrollment transactions from QHP issuers and submitting relevant data to HHS	x	Jul-11	Nov-11		Completed - Level One Establishment			x	x												
Develop system to ensure cross-functional communication during design phase		Nov-11	Jan-12		Completed - Level One Establishment				x												
Analyze the coordination of enrollment activities / transactions with financial management transactions		Oct-12	Apr-13		In Progress - Level One Establishment								x	x	x						
Solicit input from issuers on Exchange enrollment functionality		Jul-12	Dec-12										x	x							
Initial release of plan management functionality		Jan-13	Jan-13											x							
Second release of plan management functionality		Jul-13	Jul-13													x					
Applications and Notices																					
Examine requirements for MAGI determination		Oct-11	Apr-12		In Progress - Level One Establishment				x	x	x										
Develop requirements for Exchange applications and notices		Jan-12	Jun-12		In Progress - Level One Establishment					x	x										
Begin customizing federal applications and notices to meet state's need		Dec-11	Jun-12		In Progress - Level One Establishment				x	x	x										
Work with IT team to ensure requirements are reflected in web application		1Q12	2Q13		In Progress - Level One Establishment					x	x	x	x	x	x						
Review Federal requirements for applications and notices	x	Nov-11	Ongoing						x	x	x	x	x	x	x	x	x	x	x		
Survey existing application and notices for Medicaid and other health programs		Feb-12	Jul-12							x	x	x									
Work with Medicaid to develop an application that will meet the needs of both programs		1Q12	2Q13		In Progress					x	x	x	x	x	x						
Develop notice content that is accessible to consumers of varying education levels and languages.		Apr-12	Jul-12	Draft notices							x	x									
Receive input from outreach/education stakeholder group on draft applications and notices		Jul-12	Jul-12									x									
Ensure Exchange application meets CMS requirements		1Q12	2Q13							x	x	x	x	x	x						
Finalize applications and notices including stakeholder review, testing, translation of content, etc.	x	Nov-12	Nov-12	Final notices										x							
Begin utilizing applications and notices to support eligibility and enrollment process	x	3Q13	3Q13													x					
Individual Responsibility Determinations and Exemptions																					

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Begin developing high-level requirements for systems and program operations, including accepting requests for exemptions, reviewing and adjudicating requests and exchanging relevant information with HHS	x	Jan-11	Nov-11		Completed - Level One Establishment	x	x	x	x												
	Determine if there are existing processes that could be leveraged		Sep-11	Dec-11	Resources and Needs Analysis	Completed - Level One Establishment			x	x												
	Document how certificates of exemption and appeals will be administered		May-12	Oct-12	Business process flows					x	x											
	Estimate number of appeals		May-12	Oct-12						x	x	x										
	Identify data needs and the type of staff support required		Oct-12	Dec-12								x										
	Hire appeals staff		Dec-12	Sep-13								x	x	x	x							
	Begin processing exemptions from individual responsibility requirements and payment and reporting to HHS on outcome of determinations	x	3Q13	4Q13												x	x					
Administration of Advance Premium Tax Credits and Cost-sharing Reductions																						
	Decide whether the Exchange will aggregate premiums		Dec-11	Jan-12		In Progress - Level One Establishment				x	x											
	Begin developing requirements for systems and program operations, including providing relevant information to QHP issuers and HHS to start, stop, or change the level of premium tax credits and cost-sharing reductions	x	Jan-11	Nov-11			x	x	x	x												
	Begin submitting tax credit and cost-sharing reduction information to QHP issuers and HHS	x	3Q13	Dec-14												x	x	x	x	x		
Adjudication of Appeals of Eligibility Determination																						
	Review existing programs and appeals processes for eligibility determinations		May-11	Sep-11		Completed - Level One Establishment		x	x													
	Review federal requirements on appeals		Nov-11	Ongoing		Completed - Level One Establishment			x	x	x	x	x	x	x	x	x	x	x	x		
	Develop business processes and operational plan for appeals function	x	Feb-12	Jun-12	Draft Business Operations Plan	Completed - Level One Establishment				x	x											
	Determine resources to handle appeals of eligibility determinations		Apr-12	Jul-12						x	x											
	Create process flow for how appeals process will be coordinated with Medicaid and HCA		Jul-12	Oct-12							x	x										
	Establish resources to handle appeals of eligibility determinations, including training on eligibility requirements	x	Jul-12	Dec-12							x	x										
	Develop implementation plan for establishing an appeals process		Oct-12	Jan-13							x	x										
	Hire appeals staff		Dec-12	Sep-13								x	x	x	x							
	Receive input from outreach/education stakeholder group on appeals process		Dec-12	Jan-13								x	x									

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Develop training materials for call center workers, eligibility workers, Navigators, and others on the eligibility requirements/appeals.		1Q13	2Q13	Training materials										x	x						
Initiate communication with HHS on process for referring appeals to federal appeals process	x	May-13	May-13												x						
Begin receiving and adjudicating requests	x	3Q13	Aug-13													x					
Notification and Appeals of Employer Liability																					
Begin developing requirements for systems and program operations, including coordination of employer appeals with appeals of individual eligibility and submission of relevant data to HHS	x	Sep-11	Jun-12	Business Process Model	In progress and Ongoing			x	x	x	x										
Review ACA and subsequent federal guidance on appeals of employer liability		Jan-11	Ongoing			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Create process flow for how employer appeals process will be coordinated		Jul-12	Dec-12									x	x								
Develop implementation plan for establishing an appeals process		Oct-12	Jan-13									x	x								
Hire appeals staff		Dec-12	Sep-13									x	x	x	x						
Begin notifying employers in coordination with eligibility determinations	x	3Q13	Dec-14													x	x	x	x	x	x
Information Reporting to IRS and Enrollees																					
Begin developing requirements for systems and program operations, including capturing data used in enrollment process, submitting relevant data to HHS for later use in information reporting and capacity to generate information reports to enrollees	x	Jul-11	Jun-12	Business Process Model	In progress and Ongoing			x	x	x	x										
Identify reporting requirements per ACA and CMS/HHS guidelines		Jan-12	Dec-14							x	x	x	x	x	x	x	x	x	x	x	x
Solicit board and stakeholder input on the type of data the Exchange should report on		Apr-12	Jul-12								x	x									
Develop list of mandatory and optional reports		3Q12	4Q12									x	x								
Develop or acquire the necessary databases to support reporting. Identify all interfaces.		3Q12	2Q13									x	x	x	x						
Create report templates		4Q12	1Q13									x	x								
Create reporting schedule		Jan-13	Jul-13											x	x	x					
Confirm that systems are prepared to generate information reports to enrollees	x	4Q13	4Q13														x				
Outreach and Education																					
Continue to update the Health Care Authority's web page on the Exchange to reflect the work being done during the planning process and post any publications released		Nov-10	Ongoing	Exchange website	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Continue to send Exchange implementation updates via the Health Benefit Exchange listserv		Nov-10	Ongoing	Exchange listserv	Ongoing	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Washington Establishment Two Grant: Workplan by Core Area																						
Key Activities		CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
							Q1	Q2	Q3	Q4												
	Develop an RFP for development of a communications plan		May-11	Sep-11		Completed - Level One Establishment		x	x													
	Release RFP for implementation of outreach and education campaign		May-11	Sep-11		Completed - Level One Establishment		x	x													
	Hire firm to develop and carry out communications plan		Nov-11	Nov-11		Completed - Level One Establishment				x												
	Convene focus groups to test Exchange branding and communication strategy		Jan-12	Feb-12		Completed - Level One Establishment				x												
	Complete planning phase of communications plan		Nov-11	Feb-12		Completed - Level One Establishment				x												
	Perform environmental scan to asses outreach/education needs so that the Exchange can target outreach to vulnerable populations and conduct demographic communication	x	Jan-12	Feb-12		Completed - Level One Establishment				x												
	Develop branding and logos		Jan-11	May-12		In Progress - Level One Establishment	x	x	x	x	x											
	Design a media strategy		Nov-11	May-12		In Progress - Level One Establishment			x	x												
	Develop a toolkit and design marketing campaign	x	Feb-12	May-12	Marketing materials	In Progress - Level One Establishment				x	x	x	x	x	x							
	Submit final outreach and education plan (to include performance metrics and evaluation plan) to HHS	x	Jul-12	Jul-12								x										
	Hire communications and outreach staff		Jan-12	May-12						x	x											
	Fund GMMB to Launch outreach/education campaign		May-12	Dec-14							x	x	x	x	x	x	x	x	x			
	Convene focus groups to test materials with key stakeholders and consumers and make refinements based on input		May-12	Ongoing						x	x	x	x	x	x	x	x	x	x			
	Identify ongoing outreach and education needs strategy		Mar-14	Ongoing													x	x	x			
	Provide ongoing outreach and education services		Mar-14	Ongoing													x	x	x			
Risk Adjustment and Transitional Reinsurance																						
	Review how each of the three risk leveling mechanisms might work and how they would interact with each other. Brief will also include analysis of WSHIP as a reinsurance mechanism.		Aug-11	Oct-11	Options for WSHIP	Completed - Level One Establishment			x	x												
	Work with the OIC as they establish rules and procedures for risk adjustment and reinsurance, etc.		Aug-11	Ongoing				x	x	x	x	x	x	x	x	x	x	x	x			
	Fund Milliman to conduct a detailed review of options and recommendations for reinsurance and risk adjustment (functions of the Exchange)		Dec-11	Mar-12	Report on recommendations for administering reinsurance and risk adjustment mechanisms				x	x												
	Review report with Board		Mar-12	Apr-12					x	x												
	Board decides on reinsurance and risk adjustment mechanisms		May-12	May-12						x												
	Fund OIC to support the administration of risk leveling methods		May-12	Dec-14																		

Washington Establishment Two Grant: Workplan by Core Area																					
Key Activities	CMS Milestone	Start Date	End Date	Deliverable	Status/Notes	2011				2012				2013				2014			
						Q1	Q2	Q3	Q4												
Fund WSHIP conduct reinsurance		May-12	Dec-14								x	x	x								
SHOP Exchange-specific Functions																					
Begin developing requirements for systems and program operations		Aug-11	Nov-11	Wakely draft Business Operations Plan Report	Completed - Level One Establishment			x	x												
Using SHAP funding, conduct employer surveys and focus groups small employers' opinions about the SHOP Exchange and identify functions that will be valuable to them.		Oct-11	Feb-12	Milliman Focus Group report	Completed - SHAP funding				x	x											
Review of lessons learned from the Health Insurance Partnership		Jul-11	Oct-11		Completed - Level One Establishment			x	x												
Evaluate whether SHOP functions should be outsourced to a TPA		Jan-12	Mar-12		Completed - Level One Establishment					x											
Outline all functions necessary for a successful SHOP Exchange		1Q12	2Q12	SHOP Report	In Progress - Level One Establishment					x	x										
Develop system and operational processes for SHOP		1Q12	2Q13		Ongoing					x	x	x	x	x	x						
Develop strategy and business requirements for the on-line shopping experience		1Q12	4Q12		Ongoing					x	x	x	x								
Conduct regular meetings to understand the needs of small employers and how the SHOP is meeting those needs		Jul-12	Ongoing								x	x	x	x	x	x	x	x	x		
Hire staff to assist with small business functions		Jun-12	Oct-12							x	x	x									
Begin enrolling employees of small employers into QHPs	x	3Q13	1Q14												x	x	x				
Support business operations and maintenance of all systems components		4Q13	4Q14													x	x	x	x		

ID	Task Name	Duration	Deadline	Start	Finish	Gantt Chart																							
						4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2					
0	WA Health Benefits Exchange Project Schedule	1038 days	NA	1/10/11	12/31/14																								
1	1 Core Exchange Area - Exchange IT Systems	777 days	NA	1/10/11	12/31/13																								
2	✓ 1.1 Exchange Initiation, Conceptualization & Planning	295 days	NA	1/10/11	2/24/12																								
3	✓ 1.1.1 Project Initiation	102 days	NA	1/10/11	5/31/11																								
5	✓ <i>1.1.2 Level One Establishment Grant Awarded</i>	<i>0 days</i>	<i>NA</i>	<i>5/23/11</i>	<i>5/23/11</i>																								
6	✓ 1.1.3 Project Planning	131 days	NA	4/1/11	9/30/11																								
9	✓ <i>1.1.4 IT Gap Analysis Complete</i>	<i>0 days</i>	<i>NA</i>	<i>7/22/11</i>	<i>7/22/11</i>																								
10	✓ 1.1.5 High Level Business & Technical Requirements	98 days	NA	6/3/11	10/18/11																								
14	✓ <i>1.1.6 Project Startup & Architecture Stage Gate Review Completed</i>	<i>0 days</i>	<i>NA</i>	<i>9/21/11</i>	<i>9/21/11</i>																								
15	✓ 1.1.7 System Integrator Acquisition for Exchange Solution	123 days	NA	9/7/11	2/24/12																								
16	✓ 1.1.7.1 Create Request for Proposal	38 days	NA	9/7/11	10/28/11																								
19	✓ 1.1.7.2 Support Acquisition Process	29 days	NA	10/31/11	12/8/11																								
26	✓ 1.1.7.3 Evaluate Vendor Responses	34 days	NA	12/9/11	1/25/12																								
30	✓ <i>1.1.7.4 Announce Apparently Successful Vendor</i>	<i>0 days</i>	<i>NA</i>	<i>1/25/12</i>	<i>1/25/12</i>																								
31	✓ 1.1.7.5 Optional Debriefings	4 days	NA	1/27/12	2/1/12																								
34	✓ 1.1.7.6 Contract Finalization	22 days	NA	1/26/12	2/24/12																								
37	✓ <i>1.1.7.7 Contract Executed</i>	<i>0 days</i>	<i>NA</i>	<i>2/24/12</i>	<i>2/24/12</i>																								
38	✓ 1.1.8 Project Baseline Review (PBR) Stage Gate Review	51 days	NA	10/31/11	1/9/12																								
39	✓ 1.1.8.1 Project Baseline Review Preparation	51 days	NA	10/31/11	1/9/12																								
46	✓ <i>1.1.8.2 PBR Stage Gate Review Completed</i>	<i>0 days</i>	<i>NA</i>	<i>12/19/11</i>	<i>12/19/11</i>																								
47	1.2 Exchange Development	571 days	NA	10/19/11	12/25/13																								
48	1.2.1 Vendor Planning and Startup	33 days	NA	2/27/12	4/11/12																								
49	<i>1.2.1.1 Develop Project Management Plan and supporting processes</i>	<i>22 days</i>	<i>NA</i>	<i>2/27/12</i>	<i>3/27/12</i>																								
50	<i>1.2.1.2 Develop project work plan & schedule</i>	<i>33 days</i>	<i>NA</i>	<i>2/27/12</i>	<i>4/11/12</i>																								
51	<i>1.2.1.3 Onboard vendor staff</i>	<i>30 days</i>	<i>NA</i>	<i>2/27/12</i>	<i>4/6/12</i>																								
52	1.2.2 Exchange Preliminary Design (All Functionality)	140 days	NA	11/8/11	5/21/12																								
53	1.2.2.1 Preliminary Detail Design	100 days	NA	11/8/11	3/26/12																								
54	✓ 1.2.2.1.1 Develop use case and data model templates	15 days	NA	11/8/11	11/28/11																								
55	✓ <i>1.2.2.1.1.1 Develop data model templates</i>	<i>5 days</i>	<i>NA</i>	<i>11/8/11</i>	<i>11/14/11</i>																								
56	✓ <i>1.2.2.1.1.2 Develop use case model templates</i>	<i>10 days</i>	<i>NA</i>	<i>11/15/11</i>	<i>11/28/11</i>																								

