Office of Consumer Information and Insurance Oversight
State Planning and Establishment Grants for the

Affordable Care Act's Exchanges
Quarterly Report

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Connecticut
Insurance Exchange Planning Grant
Quarter 1: 09/30/2010-12/31/2010

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PROJECT SUMMARY
The following information provides a summary of Connecticut's Exchange planning activity by Core Area:

Background Research
A Request for Proposal (RFP) was written to conduct the necessary research, data analysis and modeling for Connecticut's Exchange planning efforts. The research focus areas identified in the RFP include: assessment of the State's uninsured and underinsured; surveys of the health insurance carriers and the small employer market; economic, actuarial and financial modeling; assessment of Medicaid system interface issues and of multi-state Exchange potential.

A public announcement date is anticipated for February 1, 2011 with a March 1, 2011 vendor response deadline date. We anticipate vendor research activity to begin in April.

Stakeholder Consultation and Involvement
A Planning Committee was assembled in November 2010 that consists of State agencies and industry organizations. Two meetings have been held to date; the first provided an overview of grant objectives and the second provided a status of deliverables, staffing and RFP processes. The next Planning Committee meeting is scheduled for February.

A stakeholder engagement strategy is currently under review. Its purpose is to build shared understanding about Exchanges as well as collect input from a wide range of individuals, community groups and industry organizations for consideration and integration in Connecticut's planning efforts. Connecticut is interested in listening carefully to stakeholders on the following topics: organizational structure, goals and policies, insurance market reform, and administrative functions. To date we have received over 10 requests for stakeholder meetings and anticipate starting these discussions late in February, 2011.

A web-site for the Exchange has recently been established (www.ct.gov/opm/exchangegrant). Exchange planning activity will be posted on the site and it will serve to provide transparency to the process as well as a communication vehicle to gather stakeholder input as appropriate.

Program Integration

A component of the RFP is to assess the existing Medicaid eligibility system and identify interface issues and necessary requirements for integration with the Exchange IT infrastructure. Additionally, Connecticut is asking for an impact study to be conducted of the Medicaid program specifically addressing how the Exchange will be impacted by projected changes in enrollment beginning in 2014, including an analysis of various federal poverty level increases under Medicaid and the impact the Children's Health Insurance Program (CHIP) may have on the Exchange.

Along with the planning grant assessment, Connecticut is currently a participant in the Early Innovator grant submission with 4 other New England States. If that award is granted, Connecticut's Exchange planning activity will be working in close collaboration with the innovator initiatives for IT system integration.

Resources and Capabilities

Prior to the new Administration of recently elected Governor Malloy, Cristine Vogel had been the designated Principle Investigator (PI) on the Exchange Planning grant. The newly appointed Special Advisor to Governor Malloy on Health Care Reform, Jeannette DeJesus (who also serves as a Deputy Commissioner with the CT Department of Public Health), is considering who will act as Connecticut's PI on the grant going forward. These staffing decisions are anticipated by February 1, 2011.

Job descriptions and postings were conducted in October, 2010 for a grant Project Manager and Research Analyst. Interviews were held during the months of November and December, 2010 for both positions. A Project Manager, Tia Cintron, was hired on January 3, 2011. It is anticipated that an analyst will be on board by February 1, 2011. Recruitment for a part-time support staff position is also underway.

The planning grant project continues to be strongly supported by the staff from the Office of Policy and Management (OPM), Health and Human Services unit where the planning grant is housed. Staff at OPM will continue to support grant administrative efforts throughout the project's duration.

Governance

The Connecticut Health Care Reform Advisory Board, a multi-stakeholder commission appointed by the former Governor Rell in June 2009, was formed to examine federal health care reform legislation and make recommendations relevant to the citizens of Connecticut. The Advisory Board issued a final report in June 2010 that included planning recommendations for Connecticut's Exchange. The stakeholders recommended the Exchange governance structure to be a quasi-state authority with a board of directors. The duties of the authority would be to carry out the functions of the Exchange identified in federal reform legislation.

The Administration of recently elected Governor Malloy has drafted legislation that will propose to Connecticut's legislature to create a quasi-state Governance entity for the state health insurance exchange. This legislation borrows heavily from the National Association of Insurance Commissioners (NAIC) model legislation. The 2011 legislative session runs from January 5th to June 8th and the expectation is to have a quasi-public authority and board of directors established in law this spring. It is anticipated that the newly created Exchange board will begin to work with the CT Exchange Planning Grant staff to develop an Exchange implementation plan based upon the research and information that is generated by this grant.

Finance
The Exchange is responsible for multiple business functions that must be coordinated with inter-State agencies, inter-federal agencies; and possibly between health insurance plans and consumers. One of the key deliverables requested in the RFP is the assessment of the technical requirements for functions such as an accounting system, servers, data warehouse capability, reporting and auditing functions and privacy and security requirements to enable effective and transparent pathways and standards.

Technical Infrastructure
The RFP will also assess technical requirements necessary to design the actual web portal, considerations regarding the call center and enrollment functions, and involvement with the state's progress and development of Health Information Exchange standards for proper interoperability and privacy rules.

Business Operations
Nothing to report to date.

Regulatory or Policy Actions
Nothing to report to date.

BARRIERS, LESSONS LEARNED and RECOMMENDATIONS TO THE PROGRAM
The most significant challenges to date include a new Administration in CT and cumbersome State hiring policies. The lengthy process to hire grant planning staff slowed down initial work plan goals. However, with the Project Manager on board and an analyst starting in early February, the ability to move forward quickly is reasonable. Additionally, the new Administration is in strong support of health care reform and ensuring Exchange initiatives are a top priority.

TECHINCAL ASSISTANCE
Technical support in all Core Areas as well as strong communication from OCIIO is greatly valued and important to our success.

DRAFT EXCHANGE BUDGET
Connecticut is currently in the initial stages of drafting the implementation budget for 2011-2014.

WORK PLAN
The attached work plan was included in the original grant application submission for planning activity. We will begin drafting a work plan outline for planning and implementation efforts through January 1, 2014.

Background Research
Milestone 1: Completion of RFP
Timing: January 2011
Description: Document created to acquire necessary research and data for Exchange planning and policy development.

Stakeholder Involvement
Milestone 1: Planning Committee Established/Two Meetings held
Timing: October and November 2010

Description: Diverse stakeholder group to provide insight, perspective and advice on Exchange planning development.

Milestone 2: Website Established
Timing: December 2010
Description: To use as a communication vehicle for all Connecticut Exchange activity.

Program Integration
Milestone 1: Application submission for Early Innovator Grant
Timing: November 2010
Description: Participant in grant application with New England States.

Resources and Capabilities
Milestone 1: Hired Project Manager
Timing: January 3, 2011
Description: Project manager will oversee grant planning activity

Milestone 2: Hired Analyst
Timing: Anticipate start date of February 1, 2011
Description: To support planning processes, provide research and analysis.

Governance
Milestone 1: Special Report from Connecticut's Health Care Reform Cabinet (stakeholder commission)
Timing: Fall 2010
Description: From stakeholder input and research, the Health Care Reform Cabinet proposed governance and organizational recommendations for the Exchange.

Milestone 2: Drafted Governance Legislation
Timing: January 2011
Description: The draft legislation proposes a Quasi-public authority and board of directors to govern the Exchange.

At this time, Connecticut has nothing to report for milestones regarding Finance, Business Operations and Regulatory/Policy Actions. We anticipate reporting on a significant number of milestone accomplishments next quarter.

Collaborations/Partnerships:
Connecticut has established an Exchange planning committee, a diverse stakeholder group that as mentioned previously provides insight and recommendations for Exchange planning development.

In addition, Connecticut is collaborating with other New England States in the Early Innovator Grant initiative.

Work Plan and Timeline for Connecticut's Exchange Planning Grant

(PI) Principal Investigator **(PM) Program Manager**
(C) Coordinator **(A) Analyst** **(V) Vendor**

Project Objective	Quarter 1 (Oct. 2010 – Dec. 2010)	Quarter 2 (Jan. 2011 – Mar. 2011)	Quarter 3 (Apr. 2011 – Jun. 2011)	Quarter 4 (Jul. 2011 – Sep. 2011)
BUSINESS OPERATIONS				
	Begin hiring/staffing process; office set up, orientation, develop a planning strategy plan (PI; PM) Analyze available data to continue understanding the existing markets (PM, A)	Begin networking with area states to discuss the feasibility and issues of multi-state exchange (PI; PM)	Begin working on the assessment of multi-agency functions and develop a strategic plan to complement the Consumer Assistance Grant goals (PM, C)	Develop exchange staffing requirements and necessary qualifications and incorporate into the implementation plan (PM) Make recommendations in the implementation plan regarding the most consumer-focused consumer assistance strategy for the state (PM; C)
	Develop communications plan (PI; PM) Begin stakeholder meetings (PI; PM)	Understand/involved in HIE standards for program interoperability (PM)	Summarize qualitative feedback from stakeholders and incorporate into the implementation plan (C)	
LEGISLATION	Draft legislation to create a governing board and "structure"; consider holding a public hearing (PI; PM)	Submit the legislation (PM)	Legislation passed	First meeting of the appointed governing board

Project Objective	Quarter 1 (Oct. 2010 – Dec. 2010)	Quarter 2 (Jan. 2011 – Mar. 2011)	Quarter 3 (Apr. 2011 – Jun. 2011)	Quarter 4 (Jul. 2011 – Sep. 2011)
CONTRACTUAL				
Assessment of Medicaid system interface and exchange IT infrastructure requirements	Conduct Request for Information (RFI) process to obtain knowledge about existing vendor capabilities for the IT infrastructure and technical requirements assessment (PI; PM, C)	Draft the Request for Proposal (RFP) and begin the RFP process (PM, C)	Select vendor and begin assessment	Report findings and incorporate into the implementation plan (PM)
Economic and actuarial modeling	Draft the Request for Proposal (RFP) for the economic and actuarial modeling research and begin the RFP process (PI; PM; A)	Complete the RFP process and select vendor. Conduct carrier survey (V) Conduct small employer survey (V) Present and obtain data necessary for modeling (V)	Report and present research findings of employer survey, carrier survey and modeling analysis (V, PM, A)	Incorporate findings from surveys and modeling research into the implementation plan (PM)
Financial modeling		Draft the Request for Proposal (RFP) and begin the RFP process (PM, C)	Select vendor	Report on findings and incorporate into implementation plan (PM)
Assessment and development of specifications for accounting & financial system for the exchange		Draft the Request for Proposal (RFP) and begin the RFP process (PM, C)	Select vendor	Report on findings and incorporate into implementation plan (PM)