

Exchange Planning Grant and Exchange Establishment Grant

Exchange Planning Grant

- Released by the federal government on July 29, 2010
- First round of Exchange funding
- Up to \$1 million for each State and the District of Columbia

CHHS Applied for Planning Grant

- Awarded \$1 million
- Planning Grant award period is from September 29, 2010 to September 30, 2011
- The full \$1 million is available for expenditure

Planning Grant Core Areas

- The Planning Grant must be used to satisfy nine core areas
 - Background Research
 - Stakeholder Involvement
 - Program Integration
 - Resources and Capabilities
 - Governance
 - Finance
 - Technical Infrastructure
 - Business Operations
 - Regulatory or Policy Actions

Exchange Establishment Grant

- Released by the federal government on January 22, 2011
- States choose one of two funding levels
- The establishment grants are:
 - Uncapped
 - Open to all states
- Letters of support from the Governor, State Medicaid Director, Commissioner of the State Department of Insurance

Level I Establishment Grant

- Provides up to one year of funding to states that are not yet eligible for Level II Establishment Grant

Level II Establishment Grant

- Provides funding to states that are further along in establishing an Exchange
- State must have legislative authority to establish and operate an Exchange and a governance structure
- State must submit:
 - Complete budget through 2014
 - Initial plan discussing financial sustainability by 2015
 - Plan outlining steps to prevent fraud, waste, and abuse
 - Plan for providing assistance to individuals and small businesses in the state including a call center

US HHS Exchange Principles and Priorities

- Published in Exchange establishment grant notice
 - Establishing a state-based exchange
 - Promoting efficiency
 - Avoiding adverse selection
 - Streamlining access and continuity of care
 - Public outreach and stakeholder involvement
 - Public accountability and transparency
 - Financial accountability

11 Exchange Establishment Core Areas

- Background Research
- Stakeholder Consultation
- Legislative and Regulatory Action
- Governance
- Program Integration
- Exchange IT Systems (including assessing applicability of models developed by “Early Innovators”)
- Financial Management
- Oversight and Program Integrity
- Health Insurance Market Reforms
- Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints
- Business Operations of the Exchange

Required Milestones: Stakeholder Consultation

- 2011
 - General stakeholder consultation
 - Process for consultation with federally recognized Indian Tribal governments
- 2012-2014
 - Continue stakeholder consultation and Tribal consultation

Required Milestones: Governance

- 2011
 - Develop a governance model
- 2012
 - Establish governance structure

Exchange IT Systems Requirements

- Exchange website and calculator
- Quality rating system
- Eligibility determinations
- Plan enrollment system
- Exemptions from mandate
- Premium tax credit and cost-sharing administration
- Notification and appeals of employer liability for employer responsibility payment
- Information reporting to IRS and enrollee
- Free choice vouchers
- SHOP-specific functions

Required Milestones: Exchange IT Systems

- 2011
 - Conduct a gap analysis of existing systems and the end goal for systems development by 2014
 - Document business and systems requirements

Required Milestones: Exchange IT Systems

- 2012
 - Develop baseline systems including software, hardware and interfaces
 - Ensure compliance with business and design requirements
 - Complete testing of all system components including data, interfaces, performance, security and infrastructure

Required Milestones: Exchange IT Systems

- 2013
 - Complete final user testing including testing of all interfaces
 - Complete end-to-end testing and security control validations
 - Stand up all system components

Required Milestones: Exchange IT Systems

- 2014
 - Support business operations and maintenance of all systems components

Required Milestones: Program Integration

- 2011
 - Perform detailed business process documentation to reflect current State business processes, and include future State process changes to support proposed Exchange operational requirements
 - Meet regularly with State HIT Coordinators, State Department of Insurance and the State Medicaid agency to develop work plans for collaboration
 - Execute an agreement with the State Department of Insurance
 - Execute an agreement with the State Medicaid agency and other health and human services programs as appropriate

Required Milestones: Financial Management

- 2011
 - Adhere to HHS financial monitoring activities under Planning and Establishment grants
 - Establish a financial management structure and engage experienced accountant support

Required Milestones: Oversight & Program Integrity

- 2011
 - Ensure the prevention of waste, fraud, and abuse related to the expenditure of Exchange Planning and Exchange Establishment grants

Required Milestones: Consumer Assistance, Coverage Appeals, and Complaints

- 2011
 - Use data collected by consumer assistance programs to strengthen QHP accountability and functioning of Exchange

Required Milestones: Consumer Assistance, Coverage Appeals, and Complaints

- 2012
 - Establish protocols for appeals of coverage determinations including review standards, timelines, and consumer assistance processes
 - Draft scope of work for building capacity to handle coverage appeals functions
 - Use data collected by consumer assistance programs to strengthen QHP accountability and functioning of Exchange

Required Milestones: Certification of Qualified Health Plans

- 2013
 - Launch plan management and bid evaluation systems

Required Milestones: Call Center

- 2013
 - Launch call center functionality and publicize toll-free number

Required Milestones: Navigator Program

- 2013
 - Determine Navigator grantee organizations and award contracts or grants

Required Milestones: Applications and Notices

- 2013
 - Upon implementation of open enrollment, begin offering applications and providing appropriate notices.

Required Milestones: Adjudication of Appeals of Eligibility Determinations

- 2014
 - Upon implementation of open enrollment, begin receiving and adjudicating requests for appeals

Foundation Support

- California Health Care Foundation and Blue Shield of California Foundation have funded activities related to preparing the establishment grant
 - CHCF is funding:
 - Grant preparation plan
 - Initial grant writing
 - Blue Shield of California Foundation is funding:
 - IT systems options analysis

Establishment Grant Application Decisions

Level I

Pros:

- Only need to develop a one-year budget
- Gives additional time to develop Exchange policies
- Less in-depth than Level II grant application

Cons:

- Governance structure qualifies California for Level II
- Only provides one year of funding at a time of funding uncertainty
- Slows implementation of Exchange by requiring a new grant application in one year

Establishment Grant Application Decisions

Level II

Pros:

- Provides Exchange funding through 2014
- Offers opportunity to receive longer term funding commitment
- California already meets requirements for legislative authority and governance

Cons:

- Requires actions from the Board to develop grant application
- Federal HHS will not increase budget if incorrect estimates were used in the application

Establishment Grant Application Decisions

- Application Date
 - Level I: Quarterly through December 2011
 - Level II: Quarterly through June 2012
- Recommended Actions of the Board
 - Level II Establishment
 - Apply September 30, 2011
 - Establish a committee to guide grant preparation and consider key issues such as financial sustainability