

**DRAFT**  
**Exchange Level I Grant Summary**

Core Area/ Key Tasks	Exchange FTEs	Consultant Cost	Requested Funds
<b>I. Background Research</b>	<b>2.9</b>	<b>0</b>	<b>\$440,000</b>
Conduct needed research/analysis to inform exchange policy options (e.g. Demographics and health status of potential Exchange enrollees).			
<b>II. Stakeholder Consultation</b>	<b>2.9</b>	<b>\$250,000</b>	<b>\$665,000</b>
During the Level I grant period, conduct at least five public meetings of the California Health Benefits Exchange Board (Exchange Board) and / or stakeholder meetings outside of Sacramento to engage and seek input from the public and local stakeholders.			
Conduct stakeholder meetings on key issues and topics during the period of the Level I grant.			
<b>**Establish, implement and document a process for consultation with federally recognized Indian tribes.</b>			
Develop and implement the short- and long-range process and approach for active stakeholder involvement and input.			
Conduct regular one-on-one and group meetings with key stakeholders on issues related to the development and implementation of the Exchange.			
<b>III. Legislative and Regulatory Action</b>	<b>.7</b>	<b>\$90,000</b>	<b>\$240,000</b>
Conduct timely review and evaluation of federal regulations and guidance which may affect Exchange programs or operations.			
Identify specific state authority and requirements necessary for Exchange operations, advise the Legislature and support legislative proposals necessary to enhance the authority of the Exchange and other state agencies as needed to comply with federal law and ensure effective Exchange implementation.			
<b>IV. Governance (All FTEs and Costs Distributed – Non Added)</b>	<b>(23.0)*</b>	<b>0</b>	<b>(\$3,900,000)*</b>
<b>**Establish governance structure.</b>			
Conduct regular public meetings of the Exchange Board.			
Adhere to state open public meeting laws for all Exchange Board meetings and activities.			
Implement and monitor conflict of interest provisions in state and federal law.			
Regularly post and update Exchange main web site with meeting agendas, minutes, grant reports and other materials related to Exchange activities and operations.			
Determine the need for and develop, as appropriate, Board operational rules or bylaws, consistent with State and Federal law.			
Authorize the Executive Director to recruit and hire key staff and consultants as proposed and authorized in the federal Level I grant.			
<b>V. Program Integration</b>	<b>10.1</b>	<b>\$180,000</b>	<b>\$1,750,000</b>
Manage and coordinate an internal working group of staff from key state agencies and departments			

\* These costs per federal guidance have been distributed to the other core areas. These costs are for display only.

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administering state health and human services programs.			
<u>State Health Programs:</u> <ul style="list-style-type: none"> <li>Initiate communication with state HIT coordinators, state insurance regulators, and Medi-Cal/Healthy Families and hold regular collaborative meetings.</li> </ul> <b>**Perform detailed business process documentation to reflect current state business processes and a baseline assessment of existing state coverage programs, such as Medi-Cal and Healthy Families, including implications for IT systems design, process, and coordination. Develop options for meeting federal requirements related to program integration.</b> <ul style="list-style-type: none"> <li>Assess eligibility, program rules and program benefits and services in other state health and human services programs and identify coordination and integration opportunities.</li> </ul> <b>**Execute an agreement with the state Medicaid agency and any other applicable state health subsidy program consistent with federal Level I grant requirements to clarify roles and responsibilities consistent with federal requirements.</b>			
<u>State Regulators:</u> <ul style="list-style-type: none"> <li>Assess existing public and private health plan standards, requirements and performance measurements and evaluate the feasibility and advisability of aligning health care purchasing strategies and standards among public and private programs.</li> </ul> <b>**Execute an agreement with CDI and DMHC consistent with Level I grant requirements clarifying roles and responsibilities related to qualified health plans.</b>			
<b>VI. Financial Management</b>	<b>8.7</b>	<b>\$194,000</b>	<b>\$1,650,000</b>
<b>**Adhere to DHHS financial monitoring activities and establish a financial and management structure with experienced staff and ability to respond to federal audits</b>			
Develop scenarios for a sustainability plan for the Exchange after 2015.			
<b>VII. Oversight and Program Integrity</b>	<b>2.2</b>	<b>\$90,000</b>	<b>\$450,000</b>
Establish and implement internal policies and procedures to comply with State and Federal requirements related to Exchange operations, including annual audits.			
Engage external consultants to develop a plan that <b>**ensures the prevention of waste, fraud and abuse in Exchange programs.</b>			
<b>VIII. Health Insurance Market Reforms</b>	<b>1.4</b>	<b>See III</b>	<b>\$230,000</b>
Track and monitor state legislation, regulations and implementation of health insurance market reforms.			
Work with the Legislature, the Administration, CDI and DMHC to monitor and consider enforcement of consumer protections, including specific requirements that impact the Exchange.			
Work with CDI and DMHC to monitor and consider enforcement of consumer protections, including specific requirements that impact the Exchange.			
<b>IX. Strategic Visioning</b>	<b>.9</b>	<b>\$27,000</b>	<b>\$177,000</b>
Engage Exchange Board, staff and stakeholders in setting the vision and goals for the California Exchange.			

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<b>X. Business and Operational Planning</b>	<b>1.0</b>	<b>\$460,000</b>	<b>\$614,000</b>
Engage in a two-part business and operational planning process to identify Exchange markets, products, programs and detailed system and operational requirements for Exchange implementation and application for the Level II establishment grant. Part I will focus on eligibility and enrollment processes and part II will focus on the remaining functionalities of the Exchange. The business and operational plan will include, at a minimum: <ul style="list-style-type: none"> <li>• Timeline and process to demonstrate core Exchange functionality by 1/1/13;</li> <li>• Analysis of federal mandates and reporting requirements across all Exchange activities, processes and structures; and</li> <li>• Specific operational systems and strategies, including IT systems and support, to implement an Exchange in compliance with all state and federal requirements.</li> </ul>			
As part of business and operational planning, <b>** begin developing requirements for systems and program operations</b> [in specific functional areas], <b>including</b> , among other elements, <b>eligibility and enrollment, Exchange web site and calculator, exemptions from individual responsibility requirement, premium tax credits and cost-sharing reductions, free choice vouchers, notifications and appeals, and reporting to the Internal Revenue Service.</b>			
Prepare and submit a Level II Exchange grant application for the remainder of the implementation and planning period through December 31, 2014.			
<b>XI. Exchange IT Systems</b>	<b>17.3</b>	<b>\$25,500,000</b>	<b>\$28,200,000</b>
<b>**Conduct a gap analysis; complete preliminary review of business requirements and develop an IT architectural and integration framework; complete implementation plan, detailed system design and business requirements; finalize IT and integration architecture.</b> Individual tasks will include: <ul style="list-style-type: none"> <li>• Assess innovator state assets.</li> <li>• Assess vendor offerings.</li> <li>• Continue development of business requirements and IT architectural and integration and integration framework.</li> <li>• Develop business operations alternatives and recommendations.</li> <li>• Develop purchasing strategies.</li> <li>• Issue appropriate vendor solicitations.</li> <li>• Evaluation and selection of vendor(s).</li> <li>• Contract negotiations and approvals.</li> <li>• Begin development of IT systems to support eligibility and enrollment functions.</li> <li>• Complete requirements and design milestones.</li> </ul>			
<b>XII. Navigator Program</b>	<b>1.0</b>	<b>\$150,000</b>	<b>\$290,000</b>
<ul style="list-style-type: none"> <li>• Evaluate navigator program design and funding options with input from key stakeholders and experts</li> <li>• Identify organizations and criteria for navigators.</li> <li>• Develop timeline and process for selection and funding of navigators.</li> </ul>			

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• Develop materials and training for navigators to ensure statewide readiness no later than the beginning of the final quarter of 2013.			
<b>XIII. Health Plan Management</b>	<b>13.0</b>	<b>\$294,000</b>	<b>\$2,300,000</b>
Evaluate existing state and federal statutory and regulatory standards for health insurance issuers and conditions for qualified health plans participating in the Exchange.			
Implement a process and structure to solicit expert and stakeholder written comments and recommendations for plan certification standards and qualified health plan selection and contracting.			
Develop plan certification standards, process and compliance monitoring.			
Develop a solicitation document and implement a process for selection of qualified health plans.			
Seek internal and external guidance and assistance on strategies for Exchange design and outside market requirements to mitigate adverse selection inside and outside of the Exchange.			
Evaluate existing research and other state Exchange activities and research for assistance in designing a risk adjustment program.			
Develop data collection standards and process to provide baseline data for implementation of risk adjustment methods.			
Identify additional expertise, research and resources that will be needed to implement risk adjustment and reinsurance.			
Conduct research and analysis on the options for a state reinsurance program.			
<b>XIV. Consumer Assistance -- Providing Assistance to Individuals and Small Businesses, Coverage, Appeals and Complaints</b>	<b>1.4</b>	<b>\$250,000</b>	<b>\$460,000</b>
Identify and evaluate existing state and local consumer assistance programs and specific strategies for new programs and/or building upon existing programs.			
Make early updates and improvements on an Exchange web site and tools to educate the public about health reform and future Exchange services and activities.			
Reach out to and receive input from diverse stakeholders to identify options for consumer assistance.			
Develop in the business and operational plan for Exchange operations as above specific operational elements related to consumer assistance.			
<b>**Establish protocols and scopes of work for building capacity to handle consumer assistance functions such as coverage appeals.</b>			
<b>**Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen qualified health plan accountability and functioning of the Exchange.</b>			
Begin developing requirements for systems and program operations related to consumer assistance functions and operations.			
<b>XV. Outreach and Education</b>	<b>1.4</b>	<b>\$400,000</b>	<b>\$700,000</b>
Assess marketing and outreach needs of the Exchange and develop a short-term (preoperational) and long-term marketing, outreach and communications plan aimed at securing and maintaining Exchange enrollment.			
Conduct focus group tests with diverse consumers regarding consumer needs.			

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Include funding and implementation timeline in the Level II Exchange grant application for marketing, outreach and enrollment activities, including focus group testing and language and literacy competency.			
Include in the business and operational plan functionalities for employer notices and appeals related to employer liability.			
Begin developing requirements for systems and program operations related to employee and employer assistance functions and operations.			
<b>XVI. Employer Relationships</b>	<b>10.1</b>	<b>\$500,000</b>	<b>\$2,100,000</b>
Small Business Health Options Program (SHOP) Exchange Assess existing and past models, options and approaches for a small employer purchasing program and develop a design and operational plan for the SHOP to include at a minimum: <ul style="list-style-type: none"> <li>• Services and benefits to be provided to SHOP employers;</li> <li>• Strategies for outreach and marketing and ways to mitigate adverse selection;</li> <li>• Options for coordination / integration with other Exchange programs and functions; and</li> <li>• System and IT supports needed.</li> </ul> <b>** Begin developing requirements for system and program operations.</b>			
<b>GRAND TOTAL</b>	<b>75.0</b>	<b>\$28,385,000</b>	<b>\$40,266,000</b>