

Opportunity Title:	State Planning and Establishment Grants for the Affordability
Offering Agency:	Ofc of Consumer Information & Insurance Oversight
CFDA Number:	93.525
CFDA Description:	State Planning and Establishment Grants for the Affordability
Opportunity Number:	IE-HBE-10-001
Competition ID:	IE-HBE-10-001-011777
Opportunity Open Date:	07/29/2010
Opportunity Close Date:	09/01/2010
Agency Contact:	Donna Laverdiere Office of Consumer Information and Insurance Oversight Department of Health and Human Services (301) 492-4145 Donna.Laverdiere@hhs.gov

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name: CT Exchange Planning Application

Mandatory Documents

--

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

Project/Performance Site Location(s)
Budget Information for Non-Construction Program
Project Abstract Summary
Project Narrative Attachment Form
Budget Narrative Attachment Form
Other Attachments Form

Optional Documents

--

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

--

Instructions

- 1 Enter a name for the application in the Application Filing Name field.**

 - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
 - You can save your application at any time by clicking the "Save" button at the top of your screen.
 - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
- 2 Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.**

 - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
 - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
 - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
 - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
- 3 Click the "Save & Submit" button to submit your application to Grants.gov.**

 - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
 - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
 - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
 - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application Cover Sheet

IDENTIFYING INFORMATION

Grant Opportunity: State Planning and Establishment Grant for the Affordable Care Act's Exchanges

DUNS #: 8078530150000

Grant Award: \$996,850

Applicant: State of Connecticut

Primary Contact: Cristine Vogel
Cristine.vogel@ct.gov
Tel: (860) 418-7002
Fax: (860) 418-7053

Application for Federal Assistance SF-424

* 1. Type of Submission:

- Preapplication
 Application
 Changed/Corrected Application

* 2. Type of Application:

- New
 Continuation
 Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: Office of Policy and Management, Connecticut State of

* b. Employer/Taxpayer Identification Number (EIN/TIN):

066000798

* c. Organizational DUNS:

8078530150000

d. Address:

* Street1: 450 Capitol Avenue

Street2:

* City: Hartford

County/Parish:

* State:

CT: Connecticut

Province:

* Country:

USA: UNITED STATES

* Zip / Postal Code: 06106-1379

e. Organizational Unit:

Department Name:

Office of Policy & Management

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Ms.

* First Name: Cristine

Middle Name: A.

* Last Name: Vogel

Suffix:

Title: Special Advisor to the Governor

Organizational Affiliation:

* Telephone Number: 860-418-7002

Fax Number:

* Email: cristine.vogel@ct.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.525

CFDA Title:

State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges

*** 12. Funding Opportunity Number:**

IE-HBE-10-001

* Title:

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

13. Competition Identification Number:

IE-HBE-10-001-011777

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="996,850.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="996,850.00"/>

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

- Yes
- No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:
Middle Name:
* Last Name:
Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Oct - Jan 2010		\$	\$	\$	\$	\$
2. January - March 2011						
3. April - June 2011						
4. July - Sept 2011						
5. Totals		\$	\$	\$	\$	\$

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Oct - Jan 2010	(2) January - March 2011	(3) April - June 2011	(4) July - Sept 2011	
a. Personnel	\$ 51,250.00	\$ 51,250.00	\$ 51,250.00	\$ 51,250.00	\$ 205,000.00
b. Fringe Benefits	33,825.00	33,825.00	33,825.00	33,825.00	135,300.00
c. Travel	2,500.00	2,500.00	2,500.00	2,500.00	10,000.00
d. Equipment	9,000.00	0.00	0.00	0.00	9,000.00
e. Supplies	250.00	250.00	250.00	250.00	1,000.00
f. Contractual	50,000.00	175,000.00	320,000.00	0.00	545,000.00
g. Construction	0.00	0.00	0.00	0.00	
h. Other	2,500.00	2,000.00	2,000.00	1,000.00	7,500.00
i. Total Direct Charges (sum of 6a-6h)	149,325.00	264,825.00	409,825.00	88,825.00	\$ 912,800.00
j. Indirect Charges	21,012.50	21,012.50	21,012.50	21,012.50	\$ 84,050.00
k. TOTALS (sum of 6i and 6j)	\$ 170,337.50	\$ 285,837.50	\$ 430,837.50	\$ 109,837.50	\$ 996,850.00
7. Program Income					

SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8. Oct - Dec 2010	\$	\$	\$	\$
9. January - March 2011				
10. April - June 2011				
11. July - Sept 2011				
12. TOTAL (sum of lines 8-11)	\$	\$	\$	\$

SECTION D - FORECASTED CASH NEEDS

Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$	\$	\$	\$
14. Non-Federal	\$	\$	\$	\$
15. TOTAL (sum of lines 13 and 14)	\$	\$	\$	\$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. Oct - Dec 2010	\$	\$	\$	\$
17. January - March 2011				
18. April - June 2011				
19. July - Sept 2011				
20. TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:		22. Indirect Charges:	
23. Remarks:			

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Secretary</p>
<p>* APPLICANT ORGANIZATION</p> <p>Office of Policy and Management, Connecticut State of</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB

0348-0046

1. * Type of Federal Action: <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. * Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. * Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change	
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name: Office of Policy and Management * Street 1: 450 Capitol Avenue * Street 2: * City: Hartford * State: CT: Connecticut * Zip: 06106-1379 Congressional District, if known: CT-02					
5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:					
6. * Federal Department/Agency: Ofc of Consumer Information & Insurance			7. * Federal Program Name/Description: State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges CFDA Number, if applicable: 93.525		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant: Prefix * First Name N/A Middle Name * Last Name N/A Suffix * Street 1 N/A Street 2 * City N/A State Zip					
b. Individual Performing Services (including address if different from No. 10a) Prefix * First Name N/A Middle Name * Last Name N/A Suffix * Street 1 Street 2 * City State Zip					
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. * Signature: Completed on submission to Grants.gov * Name: Prefix Ms. * First Name Brenda Middle Name L. * Last Name Sisco Suffix Title: Secretary Telephone No.: 860-418-6500 Date: Completed on submission to Grants.gov					
Federal Use Only					
Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)					

Project/Performance Site Location(s)

Project/Performance Site Primary Location I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:



Project/Performance Site Location 1 I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:



Additional Location(s)



M. Jodi Rell
GOVERNOR
STATE OF CONNECTICUT

August 30, 2010

The Honorable Kathleen Sebelius
Secretary
US Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

RE: State Planning and Establishment Grant for the ACA's Exchanges

Dear Secretary Sebelius:

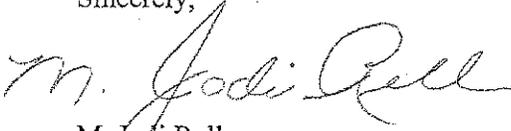
The State of Connecticut is committed to fulfilling the obligations that we have outlined in our grant proposal regarding the planning phase of the insurance exchange. The insurance exchange model seeks to create an organized and competitive market for the selling and purchasing of health insurance at affordable prices for consumers. Exchanges will only reach their potential if they maximize competition, choice and participation. Before creating this new "marketplace" we have identified critical market research that needs to be completed and our application details these specific research studies.

There are numerous technical and policy considerations in the planning of an insurance exchange. The outcome of this planning grant will provide Connecticut the market research and data analyses needed to determine if a statewide, "state-operated" exchange is a viable option; whether the markets for the individual and small groups should be combined; and the implications to a competitive marketplace depending on how policy decisions are chosen. Just as important is the IT infrastructure and the technical requirements assessment portion of this grant. The exchange needs to appear seamless to the consumer yet all of the IT systems involved must be able to interface to provide functions such as enrollment, billing and reporting. This funding will enable the planning team to begin identifying resources and legislation required to implement the exchange.

Although the planning and implementation of the exchange requires a partnership between many different state agencies, my Special Advisor for Health Care Reform, Cristine Vogel, will provide the leadership necessary to meet deadlines and work with all stakeholders involved in this process. Our grant proposal is requesting \$996,850 which will procure the research that is necessary but it will also fund 2.5 FTEs that will be dedicated to this challenging opportunity. This staff will report to my Special Advisor for Health Care Reform and also work with an established planning team that includes all involved state agencies.

I am confident that this grant funding will get Connecticut the information it needs to determine that a state-wide exchange will be a viable option and it will also provide us with the information to prepare the implementation strategy.

Sincerely,

A handwritten signature in cursive script that reads "M. Jodi Rell". The signature is written in dark ink and is positioned above the printed name and title.

M. Jodi Rell
Governor

cc: Commissioner Michael Starkowski, Dept. Social Services
Commissioner Thomas Sullivan, Dept. of Insurance
Secretary Brenda Sisco, Office of Policy and Management
Cristine Vogel, Special Advisor to the Governor for Health Care Reform



M. Jodi Rell

GOVERNOR

STATE OF CONNECTICUT

August 30, 2010

The Honorable Brenda Sisco
Secretary
Office of Policy & Management
State of Connecticut
460 Capitol Avenue
Hartford, Connecticut 06106

Re: Designation of Lead Agency for the State Planning and Establishment Grant for Insurance Exchanges

Dear Secretary Sisco:

I, Governor M. Jodi Rell, designate the Office of Policy & Management (OPM) as the lead agency in Connecticut to apply for the State Planning and Establishment Grant for Insurance Exchanges. OPM will be responsible for submitting the necessary application and additional information to HHS prior to the deadline of September 1, 2010. Upon notice of approval, OPM will participate in the planning process of the exchange, including the RPF process and will authorize the appropriate spending and auditing of the grant funds.

The exchange is a complex and critical component of health care reform where many policy decisions need to be made during the planning and implementation processes. I am confident that OPM will continue to work in close partnership with the other state agencies in this process including, Dept. of Insurance, Dept. of Social Services and Dept. of Public Health. It is my understanding that our application is requesting \$996,850 to meet our planning objectives; however, if the allocation of line items within the submitted budget change for some reason during the planning process that OPM will contact and work with HHS for approval of re-distribution the allocation within our requested total budget.

Sincerely,

A handwritten signature in cursive script that reads "M. Jodi Rell".

M. Jodi Rell
Governor

cc: Commissioner Michael Starkowski, DSS
Commissioner Thomas Sullivan, DOI
Michael Cicchetti, OPM
Robert Dakers, OPM
Mark Schaefer, DSS
Cristine Vogel, Special Advisor to the Governor for Health Care Reform

August 30, 2010

The Honorable Kathleen Sebelius
Secretary
US Department of Health & Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Project Title: Connecticut's Planning Grant Applications for Insurance Exchange

Dear Secretary Sebelius:

The State of Connecticut is pleased to submit its planning grant application to investigate and review the critical components of establishing an insurance exchange. The proposed \$996,850 will cover the costs of surveys, data collection, modeling analyses and multiple IT infrastructure assessments as well as fund 2.5 FTEs that will be dedicated to the activities and objectives of this planning grant.

This grant funding will go a long way to enable Connecticut to make well-informed policy decisions based on good research and recommendations. The exchanges that each state will develop for the individuals and small employers markets will be a dynamic change from our existing insurance purchasing market and must be carefully contemplated.

I have been identified as the Principal Investigator of the grant and have provided the contact information below.

Principal Investigator: Cristine Vogel
Cristine.vogel@ct.gov
Tel: (860) 418-7002
Fax: (860) 418-7053

I look forward to working collaboratively with HHS as we move health care reform and the insurance exchanges forward. If you or your staff has any questions, please contact me.

Sincerely,



Special Advisor to the Governor for Health Care Reform
State of Connecticut

Project Abstract Summary

Program Announcement (CFDA)

93.525

*** Program Announcement (Funding Opportunity Number)**

IE-HBE-10-001

*** Closing Date**

09/01/2010

*** Applicant Name**

Office of Policy and Management, Connecticut State of

*** Length of Proposed Project**

12

Application Control No.

Federal Share Requested (for each year)

*** Federal Share 1st Year**

\$ 996,850

*** Federal Share 2nd Year**

\$ 0

*** Federal Share 3rd Year**

\$ 0

*** Federal Share 4th Year**

\$ 0

*** Federal Share 5th Year**

\$ 0

Non-Federal Share Requested (for each year)

*** Non-Federal Share 1st Year**

\$ 0

*** Non-Federal Share 2nd Year**

\$ 0

*** Non-Federal Share 3rd Year**

\$ 0

*** Non-Federal Share 4th Year**

\$ 0

*** Non-Federal Share 5th Year**

\$ 0

*** Project Title**

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

Project Abstract Summary

*** Project Summary**

See attached Project Abstract

*** Estimated number of people to be served as a result of the award of this grant.**

315000

Project Abstract

The overall goal of insurance exchanges is to create an organized and competitive market for the selling and purchasing of health insurance at an affordable price for consumers. Exchanges will only reach their potential if they maximize competition, choice and participation. Before creating this new "marketplace", market research and IT infrastructure assessments need to be completed to understand the effects and implications of different policy decisions that may direct the implementation strategy. There are multiple goals and objectives embedded within this 12-month \$996,850 grant application. A portion of this funding is to employ dedicated staff that will be accountable to meeting the deadlines; ensuring the integrity of the research; collaborating with other state agencies and communicating with all interested stakeholders. The major objectives of this proposal include:

- Research and analyze existing data and obtain newly collected data to assess the health insurance market and the uninsured population;
- Contract for economic and actuarial modeling to study various policy issues that would impact the design and implementation of the exchange;
- Survey the small employer and health insurance markets;
- Assess the impact of insurance reforms on premiums;
- Analyze the local marketplace to determine whether the individual and the small group markets should be combined or separate within the exchange;
- Analyze the size of the small employer market segment that should start participating in the exchange either 1-50 employees or 1-100 employees;
- Determine the advantages and disadvantages of a Connecticut statewide exchange versus a multi-state exchange;
- Engage in stakeholder dialogue to ensure an accurate and consistent message is being communicated (includes individuals, employers, providers, legislators, insurers, etc.);
- Assess the existing Medicaid system and the interface with the exchange IT infrastructure required as well as specifications for the accounting and financial system of the exchange;
- Develop a financial model to determine administrative fees necessary for financial self-sustainability; and
- Develop legislation to create the governance structure of the Connecticut exchange.

In Connecticut, approximately 10% of the population is uninsured or about 330,000 individuals. It is estimated that the majority of the uninsured will be eligible for the expanded Medicaid coverage or a subsidized health plan which will provide, in aggregate, coverage for an additional 255,000 individuals. It will be critical to interface the existing Medicaid system so consumers go to one "location" and receive the health plan choices they are eligible for at that time whether it is Medicaid, a tax credit subsidy or the general health plan choices within the exchange. Just as important is the communication and outreach to all stakeholders to ensure timely information on the state's progress and to hear their feedback.

The outcome of this 12-month planning grant funding will be that Connecticut will have the market research and data analyses available to better determine if a statewide, "state-operated" exchange is a viable option; whether the markets for the individual and small groups should be combined; the implications to a competitive marketplace depending on how policy decisions are chosen, and the required legislation to implement the exchange.

Project Narrative File(s)

* Mandatory Project Narrative File Filename:

To add more Project Narrative File attachments, please use the attachment buttons below.

Project Narrative

Background Research:

In Connecticut, approximately 10% of the total State population (about 330,000 individuals) is uninsured. The exchange is a key feature in providing coverage to certain segments of the uninsured population; it is estimated that more than 40% of Connecticut's currently uninsured will be eligible for some subsidies in the exchange,¹ and that many employees of small businesses will benefit from its availability.

Although about 18% of Connecticut's uninsured are currently eligible for Medicaid but not-enrolled, it is likely that the individual mandate will result in greater take-up. Together, Medicaid's newly eligible and currently eligible but not enrolled populations will total about 135,000 persons overall by 2019; the Medicaid population will total one-fifth of the state's insured.

Simulation of Health Care Reform and the Non-elderly Uninsured in Connecticut

	#	% of Uninsured
Total Uninsured	305,000	
Subsidy Eligible in Exchange	120,000	41.40%
Newly Medicaid Eligible	78,000	25.60%
Currently Medicaid Eligible	57,000	18.70%
Medicaid and Subsidy Ineligible	44,000	14.30%

Source: *Urban Institute Analysis of 2007-2008 Current Population Surveys, Simulated as if reforms were implemented in 2009*

¹ Urban Institute. "How Would States Be Affected By Health Reform?" 2010.

Approximately 67% of the non-elderly population in Connecticut (1,985,000 individuals) receive their health coverage through their employer; and 5% of the non-elderly population (148,000 individuals) are insured in the non-group market¹. According to the 2008 Medical Expenditure Panel Survey (MEPS), 64% of businesses in Connecticut offered insurance benefits to their employees. This survey also indicated that of the 36% of businesses that do not offer insurance coverage, the majority are small companies of less than 10 employees. With 76% of Connecticut's businesses being in the "small" market (<50 employees) it is important to understand the impact of federal health care reform for these employers and employees. The individual market is less understood and difficult to measure; however, analysis on the potential impact to the individual is critical – some will be eligible under the expanded Medicaid program, some will be eligible for premium subsidies, but others will be responsible for the full premium.

Although we are able to gather different information from different sources, our ability to accurately assess the market is impaired without the collection and analysis of additional data. This planning grant will provide the necessary resources to confidently address the following:

- Continue to review available data sources to identify the number of uninsured and insured under various types of coverage including government sponsored coverage.
- Conduct a survey of the health insurance carriers to determine plan designs being sold, premium levels and the sizes of the different markets (group and non-group).
- Conduct a survey of the small employer market to identify current and anticipated future benefit design needs and other issues.

- Conduct an economic and actuarial modeling analysis to project trends such as the number of newly insured, impact of certain market changes on premium levels, and the implications of different policy decisions such as:
 - Implication of Medical Loss Ratio restrictions for the non-group market;
 - Integration of high risk pools in the non-group market or maintaining separately;
 - Advantages/disadvantages of expanding the definition of small group from 50 to 100 employees;
 - Implications for pricing in the small and non-group markets and then results of merging the markets;
 - Impact to markets if Basic Health Plan option is considered;
 - Modeling the cost of CT mandates in the context of a revised insurance market that are above the federal essential benefits;
 - Impact of reform on the prices in the insured markets;
 - Impact on insurer profitability and potential market exit;
 - Impacts on employer provided insurance; and
 - Impacts on household budgets.

- Analyze the effect if the large employer market (> 100 employees) seeks participation in the exchange.

- Analyze the impact to the State employee/retiree health plan.

- Develop a financial model for the exchange (cash-flow) to understand the administrative charges necessary to be financially self-sustaining by January 2015 and offer recommendations regarding the options to receive such charges.
- Determine the advantages and disadvantages of a Connecticut statewide exchange versus a multi-state exchange.

Stakeholder Involvement:

Connecticut fully supports open communication with all stakeholders including the consumers during the planning phase of the exchange. To further demonstrate CT's commitment to reaching out, in July 2009, Governor Rell acknowledged that congressional action may be approaching and issued an Executive Order that created a multi-stakeholder "Health Care Reform Advisory Board" charged with examining the federal legislation and making recommendations that are relevant to the citizens of Connecticut. The Advisory Board was comprised of 13 members, representing medical professionals, the health insurance industry, the business community, the hospital industry as well as the Comptroller's Office, the Office of Policy and Management, and the State Departments of Public Health, Social Services, and Insurance.

The final report from the Board released three months after the federal bill was signed consisted of several recommendations and covered a wide variety of health care delivery system topics. The Board realized the breadth of the new legislation is far more expansive than their report, but was confident that providing timely recommendations that can be implemented within one year are most beneficial to the citizens, employers and providers of Connecticut. The Board's recommendations related to insurance exchanges have been incorporated into this application.

In the spring of 2010, the Governor issued an Executive Order that created the Health Care Reform Cabinet which consists of 11 State agencies and is charged with overseeing the implementation of reform activities required by the federal legislation and also to encourage state participation in seeking grant funding opportunities. The Cabinet has created a work group that will focus on the Communications & Outreach strategy by each audience to ensure proper awareness and education. During the planning phase Connecticut will hold open dialogue meetings with key stakeholders including the insurance industry, physicians, hospitals, business, advocates and consumers. The stakeholders in Connecticut are genuinely interested and will actively engage in productive and collaborative discussions with the State. Since this proposal includes surveying a sample of small employers and the health insurance carriers, a section of the communications plan will focus directly toward those audiences to gain their support early in the process. Gaining public awareness may be the challenging component so we work with the media to better meet this goal. These planning funds will provide a platform for increased awareness as there will be research findings to publicize and discuss.

Program Integration:

Program integration is a critical component in the development of the exchanges. One of the essential goals of a successful exchange will be to create a consumer-focused approach to the process of purchasing health insurance. A focus of program integration will be to develop a coordinated approach that includes all State agencies that currently receive/respond to consumer and employer questions and complaints about their health insurance. The Consumer Assistance grant funding will work along side this exchange planning grant to ensure that Connecticut is being responsive to the assistance needs of consumers but does not add redundancy and duplication in the process. Consumers and employers need a single "resource center" for all their questions.

The exchange must coordinate the eligibility and enrollment with the Medicaid and CHIP programs and also be responsible for qualifying individuals and families for premium tax credits and reduced cost-sharing subsidies if their income is between 133 – 400 % of the Federal Poverty Level. Connecticut plans to leverage the existing eligibility system and processes and enhance where necessary for complete and seamless integration. With a goal of one-stop shopping, if the individual or family does not qualify for Medicaid coverage, they will learn of their options and if they qualify for a subsidized tax credit and they will be able to make their health coverage choices inside the exchange.

To further strengthen the objective of ensuring a well-integrated exchange with other programs and to remove any duplication that is indentified in the planning process, the CT Health Care Reform Advisory Board offered the following recommendation in their report:

To the extent possible, the exchange shall work collaboratively with State agencies and within the State's regulatory framework in order to avoid duplication and to enhance interoperability.

This planning grant funding will include dedicated resources to conduct an assessment of the existing Medicaid eligibility system and identify any “gaps/issues” as to how it would interface and what would be needed in order for it to be integrated within the information technology (IT) infrastructure of the exchange. The “project manager” in conjunction with the planning team will conduct a META analysis to identify across the various agencies potential IT infrastructure issues, human resource issues, and other operational concerns that may need to be considered within the implementation plan.

The planning team will prepare and release a “request for information” so existing skills and capabilities in the current marketplace can be ascertained. There will be a budget allocation for a multi-agency IT infrastructure assessment of existing and future requirements; technical requirements for the

“exchange” and the interfaces with the pertinent federal and state agencies (including the Medicaid system); and a complete review/assessment of the Medicaid system to identify technical requirements for proper interface with the exchange technology.

The planning team will be committed to exploring all opportunities of program integration to reduce duplication and seek areas of consolidation of functions.

Resources and Capabilities:

The responsibilities and functions of the exchange are dynamic and will require a blend of many skill sets. The exchange will also be responsible for various other functions to be carried out in accordance with federal guidelines. These responsibilities are likely to include creating a uniform enrollment form; providing enrollee satisfaction information; quality rating of plans; coordinating with the federal government regarding multi-state and nonprofit plans; sharing information as needed with the IRS; and ensuring compliance with federal laws, regulations, and reporting requirements.

To carry out its functions, the exchange will require a range of staff expertise. During this planning phase Connecticut will be determining which functions will likely remain within the exchange and those that may be outsourced. The planning team will also identify the key staffing levels of the proposed exchange that will be incorporated into the implementation plan.

The grant funds will acquire the necessary planning staff to oversee the research and assessment activities and to ensure timeliness. The proposed planning staffing is:

Planning Program Manager – full time

Planning Coordinator – full time

Health Care Analyst – part time

The Planning Program Manager will report to the Principle Investigator; the Planning Coordinator and Health Care Analyst will report to the Planning Program Manager. The Cabinet's Exchange Planning Work Group will meet regularly with the Principal Investigator and the Planning Program Manager to report on progress and have collaborative discussions regarding the planning grant deliverables.

Governance:

A key finding from this planning grant funding will be to enable Connecticut to have all the necessary information to conclude the governance model best suited for its citizens. The CT Health Care Reform Advisory Board deliberated at length on this subject and, as a multi-stakeholder Board, agreed to the following recommendations that will be also be considered:

Governance Recommendation #1: The exchange shall have a multi-stakeholder 'Board of Directors' providing it with the range of expertise and points of view that will bring a balanced and workable approach to carrying out its functions. The membership of the board should include:

- *The Secretary of the Office of Policy and Management (ex-officio), who will serve as chair;*
- *An actuary, a health plan benefit specialist, and a health care economist;*
- *Representatives from a small business, a large business, and labor;*
- *Representatives of the insurance industry, providers and consumers; and*
- *The Commissioners of Social Services, Public Health and Insurance, and the State Comptroller, or their designees (voting, ex-officio).*
- *The non-ex-officio board members shall be appointed for four year staggered terms, a majority of whom shall be appointed by the Governor.*

Governance Recommendation #2: The exchange(s) shall be administered by a quasi-state authority, similar in structure to the Massachusetts Connector. The duties of the authority would be to carry out the functions of the exchange identified in federal reform legislation. While the exchange authority would need to be granted some flexibility in administering these functions, broader policy issues affecting the insurance market, including regulation of the market, should remain with the Governor, the General Assembly, and the Department of Insurance.

Also included in the funding for the determination of governance structure is the opportunity to explore the feasibility and critical issues of utilizing a multi-state approach exchange. This analysis would need to consider market size, similarities and differences between the states being reviewed and identify what are the determining factors for selecting state(s) with which to collaborate.

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. Planning funds will be used to complete an 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. A portion of the planning funds will consist of developing accounting and auditing standards, mechanisms of transparency to the public, as well establishing procedures to ensure the handling and safeguarding of cash collections, reconciliation of premium tax credits and cost sharing subsidies.

Research will involve developing a financial model for the exchange to understand the administrative charges that need to be generated in order for the exchange to meet the requirement of financial self-sustainability by January 2015. It will also need to be determined in the implementation phase regarding how these charges will be generated and by whom. Some have suggested that premiums and/ or health plans that participate in the exchange may be assessed. With the goal to keep premiums affordable, serious cost-effective strategies need to be developed and agreed upon in legislation so that operational costs of the exchange do not increase without some checks and balances in place.

Technical Infrastructure:

Since the exchange is responsible for carrying out multiple functions that spread across multiple agencies and different technical requirements, a thorough review of existing capability and future system requirements is a main objective of this planning grant. This information will assist decision makers in the process of deciding which operational functions remain within the exchange and which functions will be outsourced.

As mentioned in the Program Integration section, there will be a budget allocation for a multi-agency IT infrastructure assessment of existing and future requirements; technical requirements for the “exchange” and the interfaces with the pertinent federal and state agencies (including the Medicaid system); and a complete review/assessment of the Medicaid system and identify technical requirements for proper interface with the exchange technology. Also part of the planning process will be technical requirements necessary to designing 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 (HIE) standards for proper interoperability and privacy rules.

Business Operations:

Although many of the decisions that will be made as a result of the deliverables of this grant will impact the future business operations it is still reasonable to utilize the planning phase to assess how the different decisions will impact the business operations. Critical to the exchange business plan is: determining the size of the markets and the policies around those markets; determining the functions that will be outsourced so that the RFP process can move forward; beginning the IT design and architecture phase (need to first know what functions are being designed); and the reaching of a final agreement regarding the governance and structure.

The staffing requirements are also serious considerations as the varied skill sets and position requirements that are necessary to operate the exchange may currently not exist in state government and the job description process will need to be explored. The other serious concern is related to the requirement that the exchange is financially self-sustaining. With all the other moving parts to assess during this planning phase, it would be prudent to begin understanding the variables that will need to be considered in creating a model that will assist in how fees are calculated and who is responsible for paying such fees. The self-sustaining requirement must remain in the forefront while designing the exchange and cost-effective strategies must be reviewed continuously. Also related to business operations is the fact that planning and implementation phases must comply with the State of Connecticut's contracting laws. The RFP process is time consuming and will hinder the ability of the planning team to be as timely as HHS may realize.

The CT Health Care Reform Advisory Board did offer the following recommendations for some business operation functions:

The exchange should encourage plan competition, innovation, quality and cost control by:

- *Promoting a variety of distribution methods, as provided in federal law, and allowing for broad plan participation in the exchange;*
- *Promoting the sale of coverage inside and outside of the exchange by supplementing the current market, thus enhancing consumer options;*
- *Implementing federal regulations related to quality improvement, adequate provider networks, and costs for plans offered throughout the exchange in a manner that improves quality and controls costs, but does not impose requirements that are not proven or tested methods of achieving these goals.*

The exchange should focus efforts on individuals and small groups (e.g., those with 50 or fewer employees, unless otherwise prohibited by federal law) because individuals and small employers with less than 50 employees are those most in need of additional access to insurance.

- *Focus on small employers with 50 or fewer employees in the exchange until the deadline of moving to 100 or fewer employees in 2016;*
- *Any decision to include businesses with over 50 employees before 2016 or businesses with over 100 employees after 2017 should be made by the legislature and not delegated to the exchange and should only occur following a full assessment of the impact of this and other market changes under the federal health care reform law;*
- *Assure plan solvency and a level playing field by ensuring that every plan in the exchange is regulated equally, subject to the same statutory and regulatory standards.*

The many questions that this grant will answer will be critical in the development of an implementation plan and strategy. The enormity of work that must be completed prior to implementation will be performed by the dedicated 2.5 FTEs that this grant will fund. This staff will be overseen by the Special Advisor to the Governor for Health Care Reform to ensure that deadlines are met, funds are spent properly and as cost-effectively as possible and that the stakeholders remain involved so the implementation phase can move forward smoothly.

Regulatory or Policy Actions:

The development of the majority of regulatory and policy actions necessary to support the exchange will be better guided by the research and assessments that this planning grant will sponsor. It is anticipated that legislation that will enable the development of the exchange and the composition of the governing body will be drafted and submitted to the Connecticut General Assembly in February 2011. Many of the policy decisions and rationale supporting such decisions will more than likely be the responsibilities of the newly-appointed governing body. The objective during this planning phase is to ensure all necessary data, research and analyses have been conducted in order to provide State government officials and the governing body with the information needed to make the best decisions for the citizens of Connecticut.

Other Attachment File(s)

* Mandatory Other Attachment Filename:

Form Attachments:

Exchange Application - Cover Shee
Exchange Application - Cover Lette
Exchange Application - Letter of Su
Exchange Application - Letter of De
Exchange Application - Project Abs
Appendix A - Attestation.pdf
Appendix B - Org Chart and Job De

below.

Appendix C - Letter of Agreement

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

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)

Budget Narrative File(s)

* Mandatory Budget Narrative Filename:

To add more Budget Narrative attachments, please use the attachment buttons below.

Budget Narrative

Total budget: \$996,850

The State of Connecticut has put forward a reasonable budget for the amount of work that is planned to be accomplished in a 12-month period. However, it is not typical to obtain quotes for contracted services outside of the RFP process so we do not have concrete estimates in the proposed budget. For example, for the IT assessments and technical requirements work, the Connecticut State Dept. of Information Technology indicated that the hourly rate of \$200 per hour for a contractor was within a reasonable price range for this geographical area. The estimate for the economic and actuarial modeling analysis was based on the experience of a different state. We understand that after we conduct an RFP process, if our budget allocations vary from what is presented, we will notify HHS and obtain approval for changing amounts on line items. We acknowledge that the total amount of the grant award will not be changed but only the line item within the budget. Total estimated funding requirements for each of the following line items is included in the table below:

Note	Item	12-month Estimate
1	Personnel	\$205,000
2	Fringe Benefits	\$135,300
3	Equipment (computers, software, etc.)	\$9,000
4	Office supplies	\$1,000
5	Travel	\$10,000
6	Informational session with stakeholders	\$5,000
7	Feasibility of multi-state exchange	\$2,500
8	Economic and actuarial modeling, surveys and data collection	\$400,000
9	Assessment of the existing Medicaid system & IT infrastructure assessment	\$75,000
10	Assessment of technical requirements & development of specifications for accounting/financial system functions	\$45,000
11	Financial modeling study	\$25,000
12	Indirect charges	\$84,050
	TOTAL	\$996,850

A line by line description containing assumptions is as follows:

1. Personnel: includes the salaries for 1 full time program manager (\$100,000), 1 full time coordinator (\$75,000) and part time analyst (\$30,000; 20 hours per week)
2. Fringe benefits: 66 percent budget assumption is based on information from CT State Comptroller
3. Equipment: necessary office equipment for 3 staff person at \$3,000 each
4. Office supplies: assumptions of basic supplies for one year
5. Travel: assumption of 4 travel meetings for one person at \$2,500 each trip
6. Informational sessions with stakeholders: assumption of 10 meetings during the 12-month period at \$500 each and includes supplies, room, food charges and any special accommodations to ensure all stakeholders can attend
7. Feasibility study of multi-state exchange: assumption of travel and some minor data analysis
8. Economic & Actuarial modeling, surveys, and data collection: this research includes the employer and carrier surveys, data collection, and the complete economic and actuarial research discussed in this proposal; more accurate estimates will be gained via the RFP process
9. Assessment of existing Medicaid system and IT infrastructure assessment: assumption of 375 hours of IT consultant time at an average cost of \$200 per hour
10. Assessment & specifications for financial/accounting systems: assumption of 225 hours of IT consultant time by an average cost of \$200 per hour
11. Financial modeling study: assumption of basic data collection based on results of research in Item 8; more accurate estimates will be gained via the RFP process
12. Indirect charges: State federally approved indirect rate of 41 percent of salaries

Appendix A: Application Attestation

Check as many items that apply, as appropriate. States are not required to accomplish all activities nor should this list be considered exhaustive.

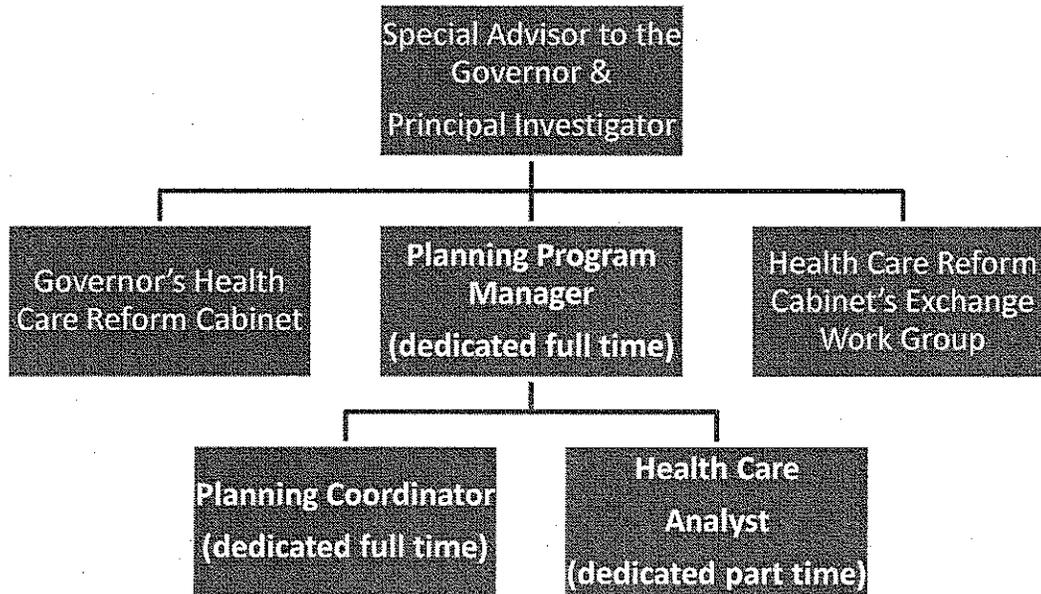
1. With the Planning and Establishment Grant, the State intends to:
 - Determine needed and available staff and hire key staff
 - Determine resource needs
 - Develop a work plan and timeline for first year activities
 - Determine needed statutory, regulatory, and other administrative changes (including statutory changes that may be necessary to set up the governance structure, facilitate health plan contracting, consumer outreach, etc.)
 - Conduct an initial assessment of IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions
 - Plan the coordination of eligibility and enrollment across Medicaid, CHIP, and the Exchanges
 - Provide public notice and other stakeholder engagement activities
 - Develop a budget justification and implementation plan
 - Develop performance metrics and planned milestones
 - Plan for customer services processes, including a call center

2. The State attests that it has submitted a budget narrative and justification that fully supports the activities the State intends to pursue with Planning and Establishment Grant funds:
YES NO

3. The State has adhered to the required Format, Standard Form (SF), and Content Requirements contained in Section IV.
YES NO

4. The State commits to submitting a draft detailed implementation plan with the final report within 90 days of the end of the project period.
YES NO

APPENDIX B – Organizational Chart and Job Descriptions



Description of job responsibilities by dedicated position:

Exchange Planning Program Manager – dedicated full time to this planning grant

Reports to the Principal Investigator
Accountable for meeting deadlines, budget and federal reporting requirements
Assists in the drafting of the proposed legislation
Oversee all research activities
Manages vendors/contractors/contracts
Coordinates and communicates between all state agencies
Assists with META analysis of the multiple agencies involved in the exchange planning
Meets with stakeholders
Works with OPM on budget/deliverables
Identifies tasks for implementation and begins drafting the implementation plan
Develops a proposed budget for the “exchange” and resources needed
Develops and oversees and communications and marketing efforts during the planning
Participates/informed in the state’s Health Information exchange (HIT) project

Exchange Planning Coordinator – dedicated full time to this planning grant

Schedules, prepares meetings, and prepares meeting documents
Assists in organizing RFP process and coordinates all activities relating to the RFP process
Support manager and works with vendors/contractors on research activities
Assists with the development of the communications and outreach plan
Drafts implementation plan under manager’s direction

Exchange Health Care Analyst – dedicated part time to this planning grant

Assist with research design and data collection efforts
Assists with the development of RFPs
Reports on research findings (writing summary documents and briefs)
Analyzes available, existing data

August 30, 2010

The Honorable Kathleen Sebelius
Secretary
US Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Ave, SW
Washington, DC 20201

RE: State Planning and Establishment Grant for the ACA's Exchanges
Letters of Agreement

Dear Secretary Sebelius:

The application proposal submitted by the State of Connecticut does not currently have any Letters of Agreement. Governor Rell has designated the Connecticut Office of Policy & Management (OPM) which will work in partnership with the other involved state agencies during this planning process. OPM will contract with outside vendors for the market research and IT assessment after conducting a thorough RFP process and involving relevant agencies in the RFP process. Funds will not be distributed by any other agency; therefore, no Letters of Agreement have been initiated.

Our grant proposal is requesting \$996,850 which will procure the research that is necessary but it will also fund 2.5 FTEs that will be dedicated to this challenging opportunity. This staff will report to me as the Principal Investigator and Special Advisor for Health Care Reform and also work with an established planning team that includes all involved state agencies.

I am confident that this grant funding will provide Connecticut with the information it needs to determine whether or not a state-wide exchange will be a viable option and it will also provide us with the information to prepare the implementation strategy.

Sincerely,



Cristine A. Vogel
Special Advisor to the Governor for Health Care Reform/Principal Investigator