

CCIIO SF-PPR-B

Grantee Information & Certification

PERFORMANCE PROGRESS REPORT SF-PPR			
1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	
		3a. DUNS Number 807853015	
		3b. EIN 1066000798J2	
4. Recipient Organization STATE OF CONNECTICUT			5. Recipient Identifying Number or Account Number
Address Line 1 450 CAPITOL AVENUE-MS#52CPD			
Address Line 2			
Address Line 3			
City HARTFORD	State CT	Zip Code 06106	Zip Ext. 1308
6. Project/Grant Period Start Date: 08/15/2011	6. Project/Grant Period End Date: 12/14/2012	7. Reporting Period End Date: 12/31/2012	
		8. Final Report? Yes	
		9. Report Frequency SEMI-ANNUAL	
10. Performance Narrative (Attach a performance narrative as instructed by the awarding Federal Agency)			
11. Other Attachments (attach other documents as needed or as instructed by the awarding Federal Agency)			

Certification

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
12a. Typed or Printed Name and Title of Authorized Certifying Official Kelly Shane	12c. Telephone (area code, number and extension)
	12d. Email Address kelly.shane@ct.gov
12b. Signature of Authorized Certifying Official 	12e. Date Report Submitted (Month, Day, Year) 01/29/2013

A. Core Areas Legal Authority and Governance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Legal Authority and Governance
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> In June 2011, the Connecticut General Assembly enacted Public Act 11-53 (codified at CGS 38a-1080 through CGS 38a-1090) to create the Connecticut Health Insurance Exchange (CTHIX). Established as a quasi-public agency, the Exchange has the legal authority to establish and operate an Exchange in Connecticut including a SHOP Exchange that complies with all federal requirements. The goals of the Exchange as set out in CGS 38a-1083, <u>Powers of the Exchange</u>, Subsection (b) mirror the goals of the Patient Protection and Affordable Care Act (ACA). The Exchange is directed to reduce the number of individuals without health insurance and assist individuals and small employers in the procurement of health insurance by, among other services, offering easily comparable and understandable information about health insurance options. The Act establishes the Exchange as a quasi-public entity governed by a 14-member Board of Directors (see Section E-1 D. Governance in the Level Two Application Project Narrative, for details on Board appointments). In addition to establishing the Exchange Authority, additional legislation was enacted by Connecticut's General Assembly in June 2011 to support state efforts to implement federal health care reform. Public Act 11-58 established an Office of Health Reform and Innovation (OHRI) within the Office of the Lieutenant Governor to oversee statewide implementation of federal health care reform. In June 2012, the Legislature enacted Public Act 12-1 amending CGS 38a-1081, the section of the enabling statute that established the Connecticut Health Insurance Exchange and set out the Exchange's governance structure. The amendments contained in Section 217 and 218 of PA 12-1, bring the Exchange's enabling statute into even closer alignment with Section 1311(d) of the Affordable Care Act and with 45 CFR 155.110 (1.2a), 1.2(c), and (1.2(d)). Specifically, the state's HealthCare Advocate who previously was an <i>ex officio</i> non-voting member of the Board, became an <i>ex officio</i> voting member of the Board (PA 12-1, Section 217 (b)(1)(H)). In addition, Section 217 (b)(2)(A) through (b)(2)(C) clarified certain conflict of interest restrictions on Board members, while, Section 218 clarified certain conflict of interest restrictions applicable to Exchange employees. Under CGS 38a-1084, Duties of the Exchange, the Exchange is specifically directed to establish and operate a SHOP Exchange (subsections 13 and 14) through which qualified employers may access coverage for their employees. In addition, under CGS 38a-1084 subsection (3), the Exchange is directed to implement procedures for the certification, recertification and decertification of health benefit plans as qualified health plans using guidelines established under Section 1311 of the ACA and section 38a-1086. Under Qualified Health Plans, CGS 38a-1085(a), the Exchange is required to make qualified health benefit plans available to qualified individuals and qualified employers for coverage beginning on or before January 1, 2014. The Connecticut Health Insurance Exchange staff has worked in tandem with its Board of Directors to ensure that the governance structure is in compliance with the ACA and any and all relevant regulations. Since first convening in September 2011, the Exchange Board has met monthly and has primarily focused on vendor procurement, research activities, hiring the Exchange leadership team, and development of the Exchange's Qualified Health Plan (QHP) requirements. An executive search firm (Fitzgerald Associates) was hired to ensure that qualified staff is assembled within time frames required to support key federal deadlines. The initial Exchange leadership team includes the Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, Chief Information Officer, General Counsel, Director of Policy and Plan Management, Director of Consumer Marketing, and related support staff. An acting CEO was in place since December 2011, with the permanent CEO selected in June of 2012. The Exchange continues to monitor the Federal and/or State laws, regulations, and guidance for required changes to the Legal Authority and Governance of the Exchange as required.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> The recruitment of skilled and experienced staff to lead the exchange has been key to the success and progress of the Exchange to date. All executive leadership team positions were filled during this reporting period, including a CEO, COO, CFO, CIO, Director of Policy and Plan Management, and Director of Consumer Marketing. The Connecticut Health Insurance Exchange first adopted Bylaws in January 2012. The Exchange revised its Bylaws, effective July 26, 2012 to effect the changes of Public Act 12-1 on Board governance. Those changes included: vesting the powers of the Exchange in twelve voting members; extending the initial term of office from one to two years for the board member appointed by the House Majority leader; making the Healthcare Advocate a voting member of the Board; increasing the number of <i>ex officio</i> voting members from three (3) to four (4); decreasing the number of <i>ex officio</i> non-voting members from three (3) to two (2); and increasing the number of board members required for a quorum from six (6) to seven (7). The Bylaws mirror the provisions in the law with respect to the appointing authority or <i>ex-officio</i> status of board members and the required expertise and terms of office of the board members. The Bylaws also mirror the law with respect to Board officers and the requirement that all appointed Board members take an oath before serving. Finally, the Bylaws establish three standing committees: Finance, Audit and Human Resources and allow the Board to establish such other <i>ad hoc</i> committees as it requires. The Board may delegate to any standing or <i>ad hoc</i> committee such Board powers, duties and functions falling within that committee's area of cognizance that the Board deems proper.

	<ul style="list-style-type: none"> The Exchange adopted its Ethics Policy in January 2012, and following the required State posting for public comment in the <i>Connecticut Law Journal</i>, and on the Exchange's web-site, the Ethics Policy was adopted by the Board in September 2012.
What are some of the significant barriers your Program has encountered?	No significant barriers have been encountered to date in this area. Progress against milestones is being monitored and tracked, and where significant issues arise they will be captured in the Issues Log.
What strategies has your Program employed to deal with these barriers?	Not Applicable.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Enabling authority for Exchange and SHOP	Q3 - CY2012	5. Complete	Documentation of enacting legislation has been provided previously - docs 10067, 10068, 10069
2	Board and governance structure	Q3 - CY2012	5. Complete	Documentation of enacting legislation has been provided previously - docs 10072, 10073

A. Core Areas Consumer and Stakeholder Engagement and Support

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
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A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Consumer and Stakeholder Engagement and Support
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> •The CT Exchange has completed its initial phase of consumer and stakeholder outreach with Mintz & Hoke, and is nearing completion of a final go-to-market plan for consumer outreach and marketing efforts with Pappas MacDonnell, the firm selected to complete Phase Two of the overall marketing plan. After careful consideration, the Exchange issued a RFP for its second phase of overall marketing development in October, 2012. This is a crucial phase in the Exchange's development, as it will help determine how successful the initial open enrollment period is for the Exchange, which has broader implications for Exchange operations in the future. •After a competitive bid process and several rounds of presentations and reviews, the Exchange selected Pappas MacDonnell for Phase Two of the overall marketing plan development. Since selecting the firm, the Exchange has undergone an extensive on-boarding process that will result in a final go-to-market plan to be delivered in January, 2013. One of the key components of this plan will be outreach strategy and engagement with consumers and stakeholders, for which Pappas MacDonnell has begun developing an extensive network of contacts in the form of community-based healthcare providers, consumer advocates and community leaders. •As the Exchange works to ramp up activity with Pappas MacDonnell there will be a few projects that remain with Mintz & Hoke, such as the Healthy Chat town hall-style event series and the monthly newsletter. Towards the end of Q4 2012, the Exchange established a relationship with NBC-CT to provide a media presence for the Exchange and to support the Healthy Chat town halls with TV commercials, "spotlight" interviews with our CEO Kevin Counihan, event moderators to help direct audience member questions, and extensive internet presence on the NBC-CT website. The Exchange intends to develop a partnership with NBC-CT, including Exchange presence at festivals and special events in CT throughout 2013, and will finalize that agreement in January 2013. •The Exchange Marketing department had two changes in personnel: Jason Madrak became the Chief Marketing Officer (previously the Director of Marketing) and the Exchange hired Danielle S. Williams as the Consumer Outreach and Engagement Manager in November. •Mintz & Hoke, building on some of the work done by Mercer, conducted an analysis of consumers who may be less easily reached through community institutions and services (e.g. young, uninsured males) and engaged the services of Bauza & Associates to assist with these efforts. In addition, Mintz & Hoke worked with Pert Research to conduct research on consumer attitudes toward health reform and the Connecticut Health Insurance Exchange branding and logo treatments. By combining these efforts the CT HIX was able to collect consumer input on health reform and the ACA, as well as the new Exchange name and logo. Pappas MacDonnell conducted similar research around the Exchange branding effort, which reinforced some of the attitudes identified in Pert's research while highlighting some new concerns and challenges for the Exchange moving forward. Pappas MacDonnell, in conjunction with Grossman Heinz, is also conducting in-depth research on Connecticut residents to better identify the myriad demographic categories and inform the final go-to-market plan which aims to effectively target these groups. The research they are conducting builds upon data purchased by the Exchange from Thomson Reuters that shows the concentrations of uninsured individuals in CT, organized by zip code. This research also includes data on those eligible for Medicaid (HUSKY), which can help to identify and target households with mixed and/or dual eligibility. •The Exchange's four Advisory Committees continue to meet periodically to weigh in on policy issues and ensure that consumer and stakeholder input is properly represented in the policy recommendations made by the CT HIX staff to the Board of Directors. The committees are still organized thematically as follows: <ul style="list-style-type: none"> --Consumer Experience & Outreach --Health Plan Benefits & Qualifications --Brokers, Agents & Navigators --Small Business Health Options Program •The CT HIX staff supports the Advisory committees, which normally meet monthly, are professionally facilitated, recorded and transcribed, and open to the public. Recommendations from the Advisory Committees are provided to the CTHIX Board for consideration and approval as appropriate. •The Exchange recognizes the importance of outreach to Native Americans in Connecticut. There are two federally recognized tribes in the state: the Mohegans (1,700 members) and the Mashantucket Pequots (800 members). The Exchange has finalized a Tribal Consultation Plan and Policy, which was approved by Tribal representatives and the Exchange Board of Directors in November, 2012. A tribal government representative is still participating on the Exchange's Consumer Experience and Outreach Advisory Committee, and the Exchange has nominated a staff member to serve as Tribal Liaison in future interactions (still waiting for final approval by the tribal representatives and/or their Tribal Councils). There are many policy considerations that impact Connecticut's tribes and their members, so the Exchange will continue to consult with tribal representatives and/or their respective Tribal Council as needed. The final Tribal Consultation policy is attached to this report and posted on CALT. •The CT HIX understands the critical importance of employing numerous customer outreach and assistance channels and will implement a comprehensive Navigator program in Connecticut. The Exchange finalized its Navigator Program Design, received approval from the Board of Directors and the Brokers, Agents & Navigators Advisory Committee. The Program Design is attached to this report and posted to CALT. This Program Design document includes the framework for Navigator and In-Person Assister training and certification, as well as the general guidelines for the Navigator and In-Person Assister roles. The Exchange plans to work closely with the Office of the Healthcare Advocate (OHA) in order to adequately support its network of Navigator and In-Person Assister organizations and the RFP review process, and will finalize a Memorandum of Understanding (MOU) in January 2013 to officially establish that collaborative relationship. In February 2013, the Exchange plans to issue an RFP for each Navigators and In-Person Assister organizations. •Following the new rules released by CMS/CCHIO, the CT HIX developed a plan for the In-Person Assisters program which will follow the design approved by the Board of Directors for the Navigator program. In addition, the Exchange applied for Level One funding to support the In-Person Assisters program and anticipates an award decision in the first quarter, 2013.

	<ul style="list-style-type: none"> •On October 5, 2012 the CTHIX issued a Request for Proposal (RFP) to qualified vendors capable of supporting a health insurance exchange call center. The RFP achieved a strong response rate with seven (7) vendors responding to the RFP, including vendors providing business process outsourcing (BPO) solutions. After careful analysis and initial scoring of the RFP vendor responses, two finalists were selected by the Exchange to provide oral presentations of their proposals. These presentations were conducted during the week of November 27th 2012. Additionally, site visits were conducted at both vendors' call centers in early December. The purpose of the site visits was to see firsthand how vendor operations were conducted, meet with key on-site management and line staff, and spend time in a working call center. One finalist was selected by CT HIX on December 20, 2012, and is currently in contract negotiation with the CT HIX. A formal announcement will be made in January 2013, once the contract has been finalized. •Throughout November and December 2012, the Exchange conducted 7 town hall-style events in various CT cities called Healthy Chats. Overall, between 750-800 individuals attended and the Exchange was able to generate a wealth of dialogue around health reform and Exchange implementation in the state and around the country. The Healthy Chats were hosted by a moderator from NBC and a panel of experts that included Kevin Counihan (CT HIX CEO), members of the Exchange's Board of Directors and Advisory Committees, and members of various professional entities that intersect with the Exchange (the Connecticut Insurance Department (CID), the Office of the Healthcare Advocate (OHA), various community health centers, and the Universal Healthcare Foundation of Connecticut, to name a few). Event materials were produced in English and Spanish, and a Spanish interpreter was present at all events to ensure that the two largest linguistic groups in Connecticut were appropriately represented. As previously mentioned, the Exchange partnered with NBC-CT to support these events through TV commercial advertisement, filming of two-minute "spotlight" interviews with CEO Kevin Counihan on various Exchange-related topics, and moderator support for the events. The Exchange plans to continue this partnership in 2013. •The Exchange was able to collect nearly 100 unique questions from consumers around a diverse set of topics including policy, implementation and enrollment. These questions, along with feedback collected from an email survey sent to all registered attendees, have helped to inform the CT HIX's outreach and engagement process and the planning of a second set of local events. Perhaps the most important outcome of the first set of events is the increased dialogue with consumers and stakeholders, which is helping the Exchange connect with its base and to make more well-informed policy and design decisions. •Due to the success of the first series and as a means to ramp up outreach and engagement with CT consumers, the Exchange plans to host another event series in the first quarter of 2013, as well as more targeted events in the second quarter that will include professional groups, community health centers, chambers of commerce, and other more specialized audiences. As with the first series, the selection of locations for the second series will depend on a combination of geographic distribution and the Thomson Reuters data, which shows the highest relative concentrations of uninsured residents in each CT zip code. To access the Healthy Chat section of our website, which includes information regarding our <u>first</u> series of events, visit www.healthychatct.com
<p>What are some of your Program's significant accomplishments or strengths in this Core Area?</p>	<ul style="list-style-type: none"> •A key accomplishment for this reporting period was interfacing with 800 Connecticut residents to hear their concerns around Exchange implementation and the ACA, barriers to care, and input for policy decisions <u>directly</u>. This has been a significant accomplishment not only in terms of planning these events and coordinating the efforts of our marketing firm and media partner, but in the collection of invaluable consumer input from individuals who would not typically be engaged with the Exchange and its activities. •In addition to the broader network of engaged consumers and stakeholders, the CT HIX has developed relationships with local political and community representatives who can serve as ambassadors for the Exchange as it develops and administers the Navigator and In-Person Assistants programs. •One of the core strengths of the CTHIX is its network of Advisory Committee and Board of Director members who provide invaluable feedback on policy issues relating to consumer outreach and engagement, utilize their professional networks to spread information on Exchange and ACA implementation, and help support events like the Healthy Chats by serving as panelists/experts. This has been a fruitful collaboration for the CT HIX and a means to effectively reach out to the multitude of unique communities in Connecticut. •The partnership with NBC-CT has helped to enhance every aspect of the Exchange's marketing and consumer outreach & engagement activities. In addition to supporting the Healthy Chat events NBC-CT is engaged to provide an exclusive media partnership with the Exchange that will greatly increase our public profile, thus helping more consumers to find out about ACA and Exchange implementation.
<p>What are some of the significant barriers your Program has encountered?</p>	<ul style="list-style-type: none"> •Because of the diverse population of Connecticut, there were initially gaps in outreach with non-English speaking residents. In Exchange staff's opinion, this presented a significant barrier to a well-rounded and culturally relevant campaign. •It became clear that Mintz & Hoke might not be the best marketing partner for the Exchange as it prepared to launch into the crucial Phase Two planning of marketing and consumer outreach of 2013, though their work with Phase One of the overall Exchange marketing plan was strong. •Through the various rounds of research conducted by the Exchange's partners, the Exchange became aware of a consistent lack of overall awareness of the ACA and Exchange implementation among CT consumers. This made our marketing and outreach efforts much more difficult, as we were behind on the educational and awareness aspects of our outreach effort.
<p>What strategies has your Program employed to deal with these barriers?</p>	<ul style="list-style-type: none"> •The Exchange, with Mintz & Hoke, partnered with Bauza & Associates to develop an outreach campaign that was not only sensitive to the diverse composition of Connecticut's population, but was culturally relevant and engaging. Moving forward, the Exchange will partner with Pappas MacDonnell and a separate cultural marketing firm to ensure that the Exchange's communications and marketing efforts are relevant and engaging. Additionally, throughout the planning process for the Healthy Chats, the CT HIX worked with community health centers and community groups to determine which groups would need additional support for attending these events. The Exchange also worked with Bauza & Associates to develop event materials in Spanish, and Interpreters and Translators (ITI) for an on-site Spanish language interpreter for all Healthy Chat events. • In order to ensure that Mintz & Hoke was the best partner for Phase Two, the Exchange initiated a competitive bid process and issued an RFP. Multiple firms responded, and after several rounds of presentations and review the CT HIX selected Pappas MacDonnell as its Phase Two marketing firm. To retain some continuity, the Exchange is still working with Mintz & Hoke on Healthy Chats and the monthly newsletter. •The CT HIX developed and implemented the Healthy Chat town hall-style series in order to raise general awareness of ACA and Exchange implementation in Connecticut among consumers. This town hall series was immensely successful, and has sparked interest from a diverse group of consumers in CT. Overall attendance at this event series was between 750- 800 attendees who represent a variety of insurance status, income, age, etc.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Stakeholder consultation plan	Q3 - CY2012	5. Complete	HHS Approval Letter for Waive-Out dtd. 9/27/2012 Ongoing Stakeholder Consultation doc-10484 Stakeholder discussion Series Report doc-10056

2	Tribal consultation plan	Q4 - CY2012	5. Complete	Connecticut Tribal Consultation Policy, doc-12976
3	Outreach and education	Q1 - CY2013	3. On Schedule	
4	Call center	Q3 - CY2013	3. On Schedule	
5	Internet Web site	Q3 - CY2013	3. On Schedule	
6	Navigators	Q4 - CY2012	5. Complete	Approved Program Design doc-10066 CT HIX Updated CONOPs ?doc 7550
7	Agents/brokers	Q3 - CY2013	3. On Schedule	
8	Web brokers		1. No Activity Planned	

A. Core Areas Eligibility and Enrollment

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Eligibility and Enrollment
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> • Connecticut is developing a State-based Exchange. <ul style="list-style-type: none"> • Connecticut has engaged Deloitte Consulting to develop the functionality for the Individual Exchange • Connecticut has issued an RFP to select a commercial vendor to operate the SHOP exchange and core SHOP business processes on a per-member-per-month model, i.e., the SHOP exchange will focus on small employers of 50 or less. • The CT HIX requirements and business process models for eligibility determination were based on the CMS blueprint process flows. These artifacts are the basis for the system integrator's scope of work. The Exchange continues to monitor guidance that is released by the Department of Health and Human Services (HHS) and other federal agencies as IT systems design and development occurs. • The Individual Exchange will leverage the same technical foundation adopted by the Department of Social Services (DSS), the Connecticut Medicaid agency, for their Multi-Channel Services Delivery (MCSD) modernization initiative (aka as ConneCT). The foundation technology was transferred from Virginia and is built on open standards using modern technologies, e.g., Java, HTML, Service Oriented Architecture, IBM enterprise message bus and IBM DB/2. Additionally, Deloitte is currently building a state Health Insurance Exchange solution for the state of Washington. This approach maximizes reuse and more readily enables a seamless end-user experience. • The CT HIX engaged the existing MCSD system integrator (Deloitte) to develop the exchange, beyond the fact that they were qualified and have a solution, because: <ul style="list-style-type: none"> • The procurement, although formal in process, did not require a traditional extended Request for Proposal (RFP) process and development could be expedited. • The procurement utilized the terms of an existing state contract thereby curtailing a possibly lengthy negotiation period which further expedited development (for example, the original contract took 18 months to agree). • The exchange solution has a multi-channel "no wrong door" approach that includes: <ul style="list-style-type: none"> • A web portal that is separate but seamlessly operates with the MCSD portal. The MCSD portal has a cross program approach (TANF, SNAP and Medicaid) whereas the CT HIX portal is focused on QHPs/APTCs/MAGI-Medicaid and MAGI-CHIP, i.e., the CT HIX intentionally avoids direct association with "welfare" type programs. A client (consumer) has a single logon to both portals and a single common "My Account" page that is adaptive based on a person's selected programs, (i.e., a QHP user will not see any references to SNAP or TANF unless they happen to have one of those programs.) • A paper-based channel for verifications and applications. This channel includes third-party document scanning, an image repository, and workflow routing. The selected technology is IBM FileNet. • A third-party operated call center and processing center. • The system is designed with a shared (between the DSS and HIX) eligibility engine for rules and verification processing, i.e., the HIX uses the service to make real time eligibility determinations on behalf of the Medicaid agency and so avoids the issues associated with DSS having to approve or deny CT HIX initial determinations. • The QHP Issuer is responsible for premium collections; including the initial (enrollment) payment. • The existing legacy systems will remain the systems of record for Medicaid and CHIP clients, i.e., the CT HIX can determine MAGI-based eligibility (including change reporting and renewals) but then transfers the individual to the DSS systems for ongoing case maintenance; including periodic data matches and interfaces with the Medicaid Management Information System (MMIS).
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The CT HIX and DSS formalized an integrated approach for eligibility as outlined in the Integrated Eligibility Program Management Office (IEPMO). The IEPMO has been staffed and is operational. The IEPMO ensures coordinated and effective planning, procurement and execution.</p> <p>During this reporting period, the CT HIX:</p> <ul style="list-style-type: none"> • Engaged and on-boarded a system integrator (Deloitte) • Completed the Requirements Confirmation project phase. • Completed 21 joint design sessions. • Validated all core functionality required for 10/1/13, based on initial confirmed business requirements • Procured all critical path hardware and third-party software. • Released a Call Center RFP and evaluated potential third party vendors. The CT HIX is currently negotiating with one selected vendor. • Released a SHOP RFP and is currently awaiting vendor proposals.

What are some of the significant barriers your Program has encountered?	<p>There are no barriers that are unique to Connecticut or that have been insurmountable. However, key challenges include:</p> <ul style="list-style-type: none"> • The short development timeframe. • The evolving federal guidance, e.g., the mandatory streamlined application was just released in December 2012. • The use of the Federal Data Services Hub while it is still under development.
What strategies has your Program employed to deal with these barriers?	<p>To address the challenge of the short development period, the CT HIX has:</p> <ul style="list-style-type: none"> • Developed comprehensive requirements and process flows diagrams as the primary input into the design and development phases. • Engaged an experienced Technical Advisory partner (KPMG). • Selected a system integrator that had existing terms and conditions with the State and so further expedited development and reduced risk. • Selected a system integrator with experience working with DSS (the state Medicaid agency) and with the Connecticut Bureau of System Technology (BEST) thereby reducing risk. • Selected a system integrator that had a demonstrable solution and that has a presence working with other states developing Exchange and Integrated Eligibility systems • Established a comprehensive governance structure that includes Project Management Offices (PMOs) with executive steering oversight. • Monitored and tracked progress against milestones, and where issues arise they are captured in the Risk or Issues Log(s) and addressed within a short timeframe. • Moved non-critical items to a subsequent release, after October, 2013.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Single streamlined application(s) for Exchange and SHOP		1. No Activity Planned	Using HHS-developed streamlined application (as of December 2012) as basis of design. Waiting for HHS guidance on SHOP.
2	Coordination strategy with Insurance Affordability Programs and the SHOP	Q4 - CY2012	5. Complete	CTHIX Updated CONOPs-doc7550 CTHIX Functional RTM - doc7611
3	Application, updates, acceptance and processing, and responses to redeterminations	Q3 - CY2013	3. On Schedule	CTHIX Updated CONOPs-doc7550 CTHIX Functional RTM - doc7611- CT HIX DRAFT SHOP Process Models - doc7609
4	Notices, data matching, annual redeterminations and response processing	Q3 - CY2013	3. On Schedule	CTHIX Updated CONOPs-doc7550 CTHIX Functional RTM - doc7611- Tab F3 - #F5.6.14, Tab F5 - #F5.3.6 CTHIX Technical RTM - doc7612 - Tab T8, T1 - #T1.1.8.6, Tab T3 - #T3.2.3.1 - #T3.2.3.6 CT HIX DRAFT SHOP Process Models - doc7609 CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg # 15, 21, 26
5	Verifications	Q3 - CY2013	3. On Schedule	CT HIX Updated CONOPs-doc7550 CT HIX DRAFT SHOP Process Models - doc7609 - Pg # 4, 13 CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 4, 7, 10, 11, 17, 18, 19 CTHIX Functional RTM - doc7611- Tab F3 - # F3.3.1 - F3.3.9, Tab T3 - #T3.2.2
6	Document acceptance and processing	Q3 - CY2013	3. On Schedule	CTHIX Technical RTM - doc7612 - Tab T7 - #T7.2.1 - T7.2.7
7	Eligibility determination	Q3 - CY2013	3. On Schedule	CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 5, 12, 23 CTHIX Functional RTM - doc7611- Tab F3 - # F3.4.1 - F3.4.20 CT HIX DRAFT SHOP Process Models - doc7609 - Pg# 5, 6, 14
8	Eligibility determinations for APTC and CSR	Q3 - CY2013	3. On Schedule	CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 13
9	Applicant and employer notification	Q3 - CY2013	3. On Schedule	CTHIX Functional RTM - doc7611- Tab F3 - #F5.6.14, Tab F5 - #F5.3.6 CTHIX Technical RTM - doc7612 - Tab T8, T1 - #T1.1.8.6, Tab T3 - #T3.2.3.1 - #T3.2.3.6 CT HIX DRAFT SHOP Process Models - doc7609 CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg # 15, 21, 26,
10	Individual responsibility requirement and payment exemption determinations	Q3 - CY2013	3. On Schedule	CT HIX Individual Responsibility Exemption - doc7607 - Pg # 3 CTHIX Functional RTM - doc7611 - Tab F3 - #F3.7
11	Eligibility appeals	Q3 - CY2013	3. On Schedule	CTHIX Functional RTM - doc7611 - Tab F6 CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 9, 24 CT HIX DRAFT SHOP Process Models - doc7609- Pg# 9
12	QHP selections and terminations, and APTC/advance CSR information processing	Q3 - CY2013	3. On Schedule	CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 14, 16
13	Electronically report results of eligibility assessments and determinations	Q3 - CY2013	3. On Schedule	CT HIX DRAFT Individual Eligibility & Enrollment - doc7604 - Pg# 22, 25
14	High risk pool transition plan	Q4 - CY2012	5. Complete	CTHIX Updated CONOPs - doc7550

A. Core Areas Plan Management

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
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A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Plan Management
What are the primary strategies your Program has used to approach this Core Area?	<p>The Exchange conducted an assessment of current plan management and certification processes as part of a larger information gathering exercise to identify CT HIX business and technical requirements and develop detailed business process models. The Exchange anticipates implementing many of the plan management and certification functions manually, which will limit the need for procuring an automated system.</p> <p>Processes that will be implemented manually include, but are not limited to:</p> <ul style="list-style-type: none"> • Developing and publishing QHP solicitations • Conducting proposal evaluations and QHP certification • Notifying issuers on QHP certification, recertification, and decertification. • Developing processes for issuer appeals and continued monitoring and compliance activities of carriers and plans. <p>Automated processes that will be procured as part of systems integrator solicitation include:</p> <ul style="list-style-type: none"> • Providing automated support for the capture of plan information • Ability to load, update, and access Issuer and QHP benefits information • Recording plan availability when a plan either closes or re-opens enrollment during a plan year • Providing consumers with access to issuer quality ratings for QHPs offered through the CTHIX • Providing the capability to record uniform summaries of coverage by health plans for consumers. <p>Additionally, the various Advisory Committees are developing recommendations for the Board's consideration on the number and types of QHPs offered through the Exchange and QHP certification criteria. The Exchange contracted with Deloitte as the System Integrator (SI) for the Exchange system implementation. Per the Statement of Work (SOW) that was defined and agreed upon for the SI, Release 1 will be focused on Plan Management related functionality. It is anticipated that the Plan Management related screens, notifications, and other functionalities will be deployed during the second quarter of 2013.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>In May 2012 the Exchange completed an assessment of the current state of Connecticut consumer assistance programs (i.e., state agencies and affiliated organizations that provide a variety of services to assist residents with a variety of health coverage issues and programs). Entities reviewed included CID, OHA, DSS, Affiliated Computer Services (ACS), CT United Way/HUSKY Infoline and the Connecticut Pre-existing Condition Insurance Program (CTPCIP).</p> <p>CT HIX issued the initial Request For Proposal (RFP) to Health Plan Issuers for Participation in the Individual and Small Business Health Options Program (SHOP) Exchanges on December 13, 2012. The purpose of the RFP was to encourage health insurance issuers (Issuers) within the state to market and sell qualified health plans (QHPs) and stand-alone dental plans through the Exchange beginning in the Fall of 2013 with an effective term of Calendar year 2014. The RFP defined plan compliance requirements for Issuers' participation in the Individual Exchange and the Small Business Health Options Program (SHOP) Exchange. In addition, the RFP included a non-binding requirement to submit a "Notice of Intent to Submit Qualified Health Plans" application which provided each Issuer with an opportunity to advise the CT HIX of its willingness to participate in the Exchange.</p> <p>The Exchange has elected to utilize the National Association of Insurance Commissioners' (NAIC) System for Electronic Rate and Form Filing (SERFF) to support a majority of the plan management functions. The Exchange has been actively collaborating with NAIC to determine the most effective way to leverage their system as it relates to plan management activities including, but not limited to:</p> <ul style="list-style-type: none"> - Carrier and plan certification; - Decertification; - Appeals; - Continued compliance. <p>In conjunction with these efforts the Exchange continues to leverage established processes from other state agencies, including the Connecticut Insurance Department (CID). The Exchange and CID have developed a strong partnership memorialized in 2012 by execution of a Memorandum of Understanding (MOU). Both teams work in close contact developing policies and procedures to ensure compliance with the QHP certification requirements, as well as Federal and CT State laws and regulations. As stated in the MOU, the CID is responsible for a myriad of regulatory activities including review and approval of the rate filings and benefit form filings, licensing of health insurers and healthcare centers, and monitoring compliance with regulations and statutes. The QHP certification requirements and regulatory activities performed by CID may be done in conjunction with, or prior to, the QHP certification process is complete.</p> <p>The System Integrator (SI) came on board in October of 2012. Once on board, Deloitte initiated requirements confirmation and design sessions to understand the various requirements and functionality that will be deployed as a part of Release 1. The SI also conducted two design review sessions for validating the requirements for, and discussing the Plan Management capabilities that will be deployed as part of Release 1.</p> <p>As a result of discussions with CID and SI design sessions, the Exchange has begun identifying the required policies and procedures needed in order to support the day-to-day plan management activities. The drafting of these policies and procedures will be an important milestone for the Exchange during the first and second quarters of 2013.</p>
What are some of the significant barriers your	One of the barriers to the full automation of Plan Management capability is timely roll-out of the SERFF solution and the availability of final SERFF data templates to be utilized by the Issuers.

Program has encountered?	
What strategies has your Program employed to deal with these barriers?	<p>The CT HIX will discuss the degree of reliance on SERFF with NAIC and identify options to mitigate the risk in a timely manner including but not limited to:</p> <ol style="list-style-type: none"> 1. Full Custom Solution - Use the SI plan management solution with no usage of SERFF plan management solution functionality 2. SERFF and partial custom solution - Use partial SERFF plan management solution functionality and request the SI to develop custom functionality for the remaining 3. No SERFF and minimal custom solution - Perform all functions manually and develop custom plan management functionality.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Appropriate authority to perform and oversee certification of QHPs	Q3 - CY2012	5. Complete	HHS Approved 9/27/12; Connecticut Legislation, Sec. 38-1080, doc- 10068
2	QHP certification process	Q3 - CY2013	3. On Schedule	CTHIX Plan Management Procedures doc-10500, MOU between HIX and CID-doc10047; QHP Request for Proposal doc-19418
3	Plan management system(s) or processes that support the collection of QHP issuer and plan data	Q2 - CY2013	3. On Schedule	CT HIX Plan Management Flow -doc 7607- Pg #2, 4 CTHIX Functional RTM - doc7611 - Tab F1 - # F1.1.1-F1.1.7#F1.1.4 - F1.1.4.8, #F1.1.2, #F1.1.5 CTHIX Functional RTM - doc7611 - Tab F1 - # F1.1.1-F1.1.7#F1.1.4 - F1.1.4.8, #F1.1.2, #F1.1.6
4	Ensure ongoing QHP compliance	Q3 - CY2013	3. On Schedule	CTHIX Plan Management Procedures -doc10500, MOU between HIX and CID-doc10047;
5	Support issuers and provide technical assistance	Q3 - CY2013	3. On Schedule	CTHIX Plan Management Procedures-doc10500; CT HIX Plan Management Flow - doc 7607- Pg# 8; CTHIX Functional RTM - doc7611 - Tab F1 - #F1.1.7
6	Issuer recertification, decertification and appeals	Q3 - CY2013	3. On Schedule	The original expected completion date of 11/15/2012 reflected in the Blueprint signified completion of a high level draft policy for issuer recertification, decertification, and appeals. The CT HIX's plan has been to develop these processes as part of the operating model we are jointly developing with CID. The CT HIX has made a decision to manually support these processes in the short term, and automate to some degree in the longer term. Process Development and implementation is anticipated prior to the go-live date of 10/1/2013. Therefore, Q3-CY 2013 is an appropriate target completion for this activity, as defined. All supporting documentation was updated accordingly to reflect the new target date.
7	Timeline for QHP accreditation	Q2 - CY2013	3. On Schedule	CTHIX Plan Management Procedures-doc10500
8	QHP quality reporting	Q2 - CY2013	3. On Schedule	CTHIX Plan Management Procedures-doc10500

A. Core Areas Risk Adjustment and Reinsurance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Risk Adjustment and Reinsurance
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> • The CT HIX has made the determination that it will initially leverage the federal risk adjustment program. In future years the Exchange may utilize data from the APCD to administer a state-based risk adjustment program. • With regard to the transitional reinsurance program, the Exchange intends to pursue the reuse of existing state programs in consideration of the timeframes and the temporary nature of the program. Such programs include the Connecticut Small Employer Health Reinsurance Pool (CSEHRP) and the Health Reinsurance Association (HRA). The CT HIX and HRA are currently in the process of reviewing the proposed federal benefit and payment parameters issued by HHS in November. A contract between the two entities is planned to be finalized in the first quarter of 2013.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> • During this reporting period, it was determined that the Not-For-Profit Reinsurance Entity for the State will be the Health Reinsurance Association (HRA). The CT HIX and the State of Connecticut requested that HRA administer the transitional reinsurance program for Connecticut in August of 2012. HRA's Board of Directors subsequently passed a Resolution authorizing HRA to enter into an agreement with the CT HIX to provide services in support of the transitional reinsurance program for the years 2014 through 2016. HRA has agreed to establish the transitional reinsurance program in compliance with the requirements of Section 1341 of the Affordable Care Act and the Standards Related to Reinsurance, Risk Corridors, and Risk Adjustment. • The Program will meet three policy goals. Firstly, it will offer protection to health insurance issuers against medical cost overruns for high-cost enrollees in the individual market. Secondly, it will permit early and prompt payment of reinsurance funds during the benefit year to help offset the potential high costs of health insurance issuers early in the benefit year. And thirdly, it will add minimal administrative burden since HRA is already familiar with the market and well accepted by the Connecticut carriers.
What are some of the significant barriers your Program has encountered?	The delay in release of final regulations for the transitional reinsurance program, as well as the departure in the December 7, 2012 proposed regulations from initial guidance given the state with respect to use of a regional standard for attachment point and cap for the transitional reinsurance program, may eventually result in program development delays.
What strategies has your Program employed to deal with these barriers?	The CT HIX is in the process of jointly developing a statement of work with HRA. While these documents cannot be finalized without the final regulations being issued, the state continues to work towards its goal of a contract being in place with HRA by the end of the first quarter of 2013. As a result of the December 7, 2012 proposed regulations, the CT HIX is also evaluating whether it will develop a wrap-around program for the proposed cap.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Risk adjustment program		1. No Activity Planned	
2	Reinsurance program	Q1 - CY2013	3. On Schedule	

A. Core Areas Small Business Health Options Program (SHOP)

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Small Business Health Options Program (SHOP)
What are the primary strategies your Program has used to approach this Core Area?	<p>The Exchange established a SHOP Advisory Committee to assist with several key policy decisions, including the implementation of an employee choice model, identifying the types and number of health plans offered through the SHOP Exchange, and assessing the possibility of expanding the definition of small group to 100 or fewer employees prior to the 2016 deadline.</p> <p>The Exchange identified an initial set of SHOP functional requirements and business process models to be included as part of an anticipated SHOP Exchange solicitation. The Exchange explored a business process outsourcing model for the SHOP Exchange as well as a state collaboration alternative. One option considered was collaboration with other states in a joint or cooperative procurement. This multi-state option could have been particularly cost-effective due to the small volume of enrollment expected in the SHOP Exchange, and the benefit of combining multiple smaller states in a single, scalable procurement. The multi-state option was determined not feasible since possible partnership states were at different levels of development, the short time line would not allow for the necessary collaboration. Therefore, it was determined the best option for the CT HIX was to seek an outsource BPO for its SHOP operations.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>CT HIX held meetings with the SHOP Advisory Committee on a regular basis. Meeting topics included:</p> <ul style="list-style-type: none"> • Overview of Small Business Perspective Purchasing Health Insurance through the SHOP • In-house versus Outsourcing of SHOP operations (Pros and Cons) • Purchasing Models • Participation Requirements • Plan Designs • Employer Contributions Requirements • Tax Provisions <p>The Exchange made a formal recommendation to the SHOP Advisory Committee to outsource the SHOP operations to a third party vendor. After review and discussion with the SHOP Advisory Committee, it was determined that this option ensured less development risk and leveraged the core competency of vendors already in the exchange market. The recommendation was accepted by the SHOP Advisory Committee (AC) and approved by the Board of Directors.</p> <p>A Request for Proposal (RFP) for a Business Process Outsourcing (BPO) vendor was drafted and sent to the SHOP AC for review and comment. Additionally, the draft was sent to CCIIO for review and comment. Suggested changes from both the AC and CCIIO were incorporated into the final RFP.</p> <p>The formal SHOP RFP was posted on the CTHIX website in mid-December 2012. Ten vendors have submitted their "Intent to Propose" forms, and formal proposals are due to CT HIX in Mid-January. An award decision is anticipated in February 2013 with an expected contract start date of March 1, 2013.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers have been encountered to date in this area. Progress against milestones is being monitored and tracked, and where significant issues arise they will be captured in the Risk or Issues Log(s).
What strategies has your Program employed to deal with these barriers?	Not Applicable

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	SHOP compliance with 45 CFR ? 155 Subpart H	Q3 - CY2013	3. On Schedule	
2	SHOP premium aggregation	Q3 - CY2013	3. On Schedule	
3	Electronically report results of eligibility assessments and determinations for SHOP	Q3 - CY2013	3. On Schedule	

A. Core Areas Organization and Human Resources

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Organization and Human Resources
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> • The Exchange continues to evolve from a small "start-up" organization to one that stands ready to operate a fully-functioning, ACA-compliant Health Benefits Exchange. CT HIX will utilize both consultants and CT HIX staff as continue to design, develop, and implement our CT HIX solution. • The CTHIX has made progress leveraging the Level One Exchange Establishment Grant funding to staff the core positions required to set-up and establish the Exchange. Additionally, the Exchange has created a dynamic approach to staffing the organization, utilizing both consultants and CT HIX staff, for successful ongoing operations while simultaneously managing the design, development, and implementation of the CTHIX solution. • Early on, the CTHIX utilized existing state contracts to facilitate temporary-to-permanent hiring to obtain staff. The Project Director, working with the state OPM, developed a strategy to apply for Level One Exchange Establishment Grant funding, and, once approved, operated within OPM on a temporary basis. As the planning process took shape, CTHIX used consultants to "staff" open positions and employed a train-the-trainer strategy to on-board permanent staff. • In February 2012, CTHIX was established as a freestanding entity. This milestone allowed the CT HIX to transition from under OPM's "umbrella" to a CTHIX "owned and operated" administration, completing an extensive start-up effort that was executed in accordance with federal and state guidelines. • Setting up the administrative structure of the Exchange was a priority in the first half of 2012. The Exchange has successfully established the following critical operational components: Payroll; HR; Bylaws; Hiring of accountants; Hiring of operational staff; Operating accounts, purchase order process, etc.; Bank accounts • The recruitment, selection, and on-boarding of the Executive Leadership Team has allowed for the CT HIX to make great strides in its organizational and operational development
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> • Significant progress has been made in the hiring of key staff personnel during this reporting period. • The CT HIX Human Resources Manager transitioned from a temporary hire to permanent employee in July of 2012. This allowed the CT HIX to ramp up its recruitment and hiring efforts for key positions including: <ul style="list-style-type: none"> -Temporary Hire Technical Analyst (October) -Associate Director of IT (October) -Administrative Assistant (October) -Consumer Outreach and Engagement Manager (Nov) -Plan Management Analyst (November) -Associate Director of Reporting (December) • A Benefits consultant was hired to assist with acquiring a fair and competitive benefits package to help attract highly qualified employees. It is anticipated that employee benefits will be finalized by mid-February 2013. The consultant will also be updating the job descriptions of current staff, as roles have evolved to adjust to the work required.
What are some of the significant barriers your Program has encountered?	<ul style="list-style-type: none"> • In early 2012, hiring delays and other unique skillset needs on an ad hoc basis had created the need for temporary staffing solutions and a strong working relationship with OPM. • By the end of 2012, the effort required for both staffing the organization as well as creating, defining, and maintaining effective Human Resource Management with very limited human resource staffing had become a significant barrier to progress. • Hiring people with the ability to develop the HIX over the next year, and run it operationally, is a challenge. People need the skills to

build, and the skills to run, and will have to practice them simultaneously over the next year.

What strategies has your Program employed to deal with these barriers?

- CT HIX, through extensive planning and preparation, went through an administrative separation from OPM throughout 2012. By the end of this reporting period, CT HIX has become completely independent in terms of administrative structure and grant management. These changes have allowed the CT HIX to hire crucial staff and make progress towards Level One staffing goals.
- In addition, the CT HIX has had the need to access resources with unique skills/capabilities that were not part of the core staffing or consulting teams on an as-needed basis to support the implementation of the Exchange and/or its successful ongoing operations. Leveraging Connecticut State Master Service Agreements (MSA) for temporary staff services and/or consultants has been an effective strategy for staff augmentation. Examples of resources available through these MSAs include actuarial resources (or other health insurance marketplace experts), training staff, temporary administrative support, and/or additional testing support.
- It was determined that the CT HIX would hire, on a temporary basis, a Human Resources Consultant to assist in organizational development, acquire talented staff, and support operational human resource tasks in 2013.
- The CT HIX is also taking time to ensure anyone hired is fully cognizant of the time pressures under which the staff must deliver, and how that will require people who are comfortable not only working long hours but also working with a bias for prudent action.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Organizational structure and staffing resources to perform Exchange activities	Q3 - CY2012	5. Complete	CALT doc-10055 Organizational Overview, CT Level Two Establishment Grant Application

A. Core Areas Finance and Accounting

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Finance and Accounting
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> • For both the Planning Grant funding period and the first several months of Level One Establishment funding, CTHIX leveraged OPM's infrastructure and processes to manage the grant funds awarded to the State of Connecticut. This relationship with OPM, which required state reporting, auditing, and internal financial documentation in addition to the required Federal progress and financial reporting, allowed OPM on behalf of CT HIX to periodically draw down funds based on cash flow projections and expense reports. • CTHIX has since worked diligently during this progress reporting period to ensure the necessary financial processes and procedures were developed and implemented in order for the CT HIX to assume management responsibility for all funds. This final progress report is the result of the demonstration of adequate financial controls and processes necessary to allow for the CT HIX to independently manage its grant awards.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> • In April 2012, CT HIX finalized an MOU with OPM that allowed it to sub-grant Level One grant funds from OPM. This gave the CT HIX the opportunity to design and implement its own accounting policies and procedures and establish internal accounting and financial management processes in preparation for future grant management responsibilities. • Extensive effort went into the development of the CT HIX's Financial Management Plan (FMP) as it provides the necessary framework for the ongoing development and evolution of internal financial processes. Additionally, the FMP outlined the reporting and auditing requirements for CT HIX as well as establishing the foundation for independent grant management. Another component of the FMP was its identification of system and internal controls, which were crucial to grant management, which allows cross-walking between federal, state, and internal budgets and expenses. The FMP will continue to be updated periodically as the organization and its financial management needs develop. • An Accounting and Financial Policies and Procedures Manual was established to guide the financial management practices of the Exchange. In accordance with this manual, the CT HIX Accounting Department will maintain records and complete reports as required by state and federal authorities, and will adhere to standards established by the Governmental Accounting Standards Board (GASB). • CTHIX also established internal compliance and financial audit policies. The internal compliance audit policy requires an annual review of CT HIX practices regarding affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of funds. • Throughout this reporting period, the Accounting Department developed and refined its Exchange Financial Statements in accordance with Federal cost accounting standards and principles to align with Federal Financial Reporting (FFR) requirements, and developed and implemented departmental level expense budgets. The Accounting Department maintains accounts and financial information documentation in ways that provide a current status of funds and the levels of services utilized. • The CT HIX Fiscal Year 2013 budget was approved by the Finance committee and the Board of Directors in September of 2012. The Level II Grant budget and long term costs remain the baseline for the CT HIX budget through 2013. • Lastly, during this reporting period, the CT HIX finalized and filed a Grantee change application consisting of seven (7) artifacts with CCIIO on October 19th, 2012. This grant application satisfied the requirements for changing the grantee on the Level One Supplement and Level Two grants from OPM directly to the CT HIX. The Exchange received approval through issuance of new establishment grants (Level I Supplement and Level II) in December 2012.
What are some of the significant barriers your Program has encountered?	<ol style="list-style-type: none"> 1. Given that the CT HIX did not play a direct role in grant administration of Level One funds at time of initial award, it was challenging to develop internal controls, policies, and procedures that would not only satisfy reporting and auditing requirements but would work in real-time with CT HIX activities and development. 2. With the anticipation of the Grantee Change in the Fall of 2012, OPM chose not to draw down Level II Grant funds, which negatively impacted the CT HIX's cash flow during that timeframe.
What strategies has your Program	<ol style="list-style-type: none"> 1. CTHIX worked in tandem with OPM staff to develop a plan for sub-granting Level One funds. In April 2012, the plan to sub-grant funds from OPM was approved, and CTHIX entered into a MOU with OPM to support this relationship. CTHIX has since assumed management responsibility for all future grant awards (Level I supplement and Level II)

employed to deal with these barriers?

2. In accordance with Connecticut Public Act 12-1, Section 219, the CT HIX Chief Executive Officer requested and received Emergency Funds from OPM in the amount of \$5M, to improve its cash flow in December 2012, until the CT HIX could drawdown its own funds from the Federal Payment Management System (PMS). These emergency funds need to be repaid to the State as soon as possible once the CT HIX gains access to its Federal grant funding, which is anticipated in January 2013.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Long-term operational cost, budget, and management plan	Q3 - CY2012	5. Complete	CALT Doc 10053 Budget Expense Detail from CT HIX Level Two Grant Application

A. Core Areas Technology

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Technology
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> • Connecticut is fully committed to implementing a technology solution for use by both the CTHIX and DSS to support the MAGI eligibility requirements by the October 2013 deadline. This shared technology solution for CTHIX, Medicaid and CHIP eligibility determination is anticipated to serve as the core of an integrated eligibility platform that will eventually support all HHS agencies and their associated social services benefit programs. DSS is leveraging this unique opportunity to replace its antiquated Eligibility Management System (EMS). The state plans a phased implementation for other HHS programs following the CTHIX and Medicaid/CHIP roll outs. • KPMG was hired as the technical assistance vendor to the Exchange. They have been on board since February 2012, and are assisting the Exchange with the iterative process of moving from planning through procurement and implementation activities. This interdisciplinary vendor is focusing on both business process functions and related IT systems. The project will enable the Exchange to procure the necessary systems, resources, and infrastructure to provide for a successful Exchange open enrollment starting in October 2013. KPMG assisted the State in development of a Concept of Operations (CONOPS) document that defines the Business Requirements, Technical Requirements, and the Business Process Flows for the CTHIX and the Integration Eligibility System. • Deloitte was hired as the System Integrator (SI) for the Exchange. They have been on board since October 2012, and are assisting the Exchange with system development and implementation of the Integrated Eligibility system. Deloitte presented a solution that was easily configurable and transferrable from the Washington State Exchange. Utilizing this solution will help reduce the implementation / development time of the CT HIX application. Additionally, Deloitte has a deep understanding of the Department of Social Services (DSS) business processes through their currently ongoing ConneCT project. This vendor will enable the Exchange to design and implement the systems necessary to provide for a successful Exchange starting October 2013. The HIX system provided by Deloitte will present a "No Wrong Door" approach to the citizens of Connecticut in obtaining health insurance, and from a technology perspective, leverage existing State Bureau of Enterprise Systems and Technology (BEST) infrastructure, operations management, and other hosting capabilities to host the Exchange application. This would help to reduce the ramp-up time for the SI and the solution implementation.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> • The Exchange conducted extensive planning and coordination activities with other Connecticut state agencies, specifically with the CID, DSS, OPM, and the OHRI. Furthermore, the CTHIX planning process served as a catalyst for the CTHIX to pursue close collaboration with DSS to identify areas of technology asset reuse and to streamline social services' program eligibility determination and enrollment processes. • The CT HIX has negotiated and executed Memoranda of Understanding (MOUs) with the Connecticut CID and DSS agencies. These agreements document the specific roles and responsibilities each agency will undertake to support the successful implementation of the CT HIX. In addition, the Exchange is initiating an MOU with the Connecticut Department of Administrative Services' (DAS) Bureau of Enterprise Systems & Technology (BEST) to document the technology hosting and operational support roles that BEST may play in the Exchange. The CT HIX is also collaborating closely with OHRI on the development of an all payer claims database (APCD), which will support a number of Exchange activities. • Through the third and fourth quarters of 2012, the Exchange continued the coordination activities with other Connecticut state agencies to pursue collaboration with DSS and BEST to align the CT HIX and the Integrated Eligibility System (IES) implementation currently ongoing at DSS. This helped streamline and categorize the different requirements - functional and technical, and the business process flows for the CT HIX and the IES solutions. • KPMG also helped the Exchange and DSS in defining requirements and business process flows for the various eligibility criteria for the CT HIX and the Integrated Eligibility system. These requirements were broken down into various tiers and prioritized based on the functionality envisioned for both solutions. • As a result of Deloitte's on-boarding in October 2012, the analysis of requirements and the pre-design activities for the CT HIX solution made extensive progress. From their understanding of the transferrable solution from other states, and their understanding of DSS, Deloitte was able to quickly initiate the activities for the CT HIX solution implementation. Per the project plan, the system implementation plan / strategy is now focused on two releases: <ul style="list-style-type: none"> Release 1 - Plan and Account Management Release 2 - Eligibility and Enrollment. • Beginning in September 2012, Deloitte conducted requirements confirmation sessions with key stakeholders from the state of Connecticut. The purpose of these sessions was to confirm the baseline requirements from the statement of work, and discuss any outstanding questions regarding the requirements. These requirements are being used in the design of Deloitte's system solution.

	<p>Requirements confirmation sessions concluded in November of 2012.</p> <ul style="list-style-type: none"> Also in November of 2012, Deloitte initiated design confirmation sessions with key stakeholders from the state of Connecticut, including public advocacy representatives. Deloitte presented draft design documents and screen mock-ups to illustrate the proposed solution. The purpose of these sessions was to confirm that Deloitte's design met the confirmed requirements, to garner feedback from the key stakeholders on the draft of the proposed solution, and to discuss and finalize any outstanding design questions. The design confirmation sessions are anticipated to conclude in January of 2013. The System Integrator (SI) deliverable submission and review process was established and includes the submission of a deliverable expectation document (DED) and formal deliverables by Deloitte which are reviewed by the CT HIX QA team. The DED defines the format, structure, and acceptance criteria for the deliverable, each deliverable is reviewed ensuring they met the agreed upon criteria outlined in the deliverable's DED. The process of reviewing the DEDs and Deliverables has undergone multiple rounds of review prior to acceptance of the document. The review process entails the submission of the DED or Deliverable by Deloitte to the CTHIX team, the CTHIX team reviews the documents and determines whether the document was "accepted" or "rejected". With the response to Deloitte on acceptance or rejection, the CTHIX team provides comments that Deloitte uses to update the DED or Deliverable for resubmission. The process is followed for each DED or Deliverable until all have been accepted by the CT HIX team. The deliverable review process is targeted to ensure the quality of the deliverables and the documentation that will be used throughout the system design, development, and implementation process. During the fourth quarter of 2012, the SI has initiated submission of draft deliverables and DED documents that underwent a rigorous Exchange review.
<p>What are some of the significant barriers your Program has encountered?</p>	<p>There are no barriers that are unique to CT HIX or that have been insurmountable. However, key challenges include the short development timeframe and legacy systems.</p>
<p>What strategies has your Program employed to deal with these barriers?</p>	<p>To address the challenge of the short development timeframe the CT HIX:</p> <ul style="list-style-type: none"> Developed comprehensive requirements and process flows diagrams as the primary input into the design and development phases. Engaged an experienced Technical Advisory partner (KPMG). Expedited the traditional RFP process in order to expedite the selection of a system integrator. Selected a system integrator that had existing terms and conditions with the State and so further expedited development and reduced risk. Selected a system integrator with experience in working with DSS (the Medicaid agency) and with the Connecticut Bureau of System Technology (BEST) and so reduced risk. Selected a system integrator that had a demonstrable solution that was transferable. Monitored and tracked progress against milestones, and where issues arise they are captured in the Risk or Issues Log(s) and addressed within a short timeframe. Moved non-critical items to subsequent releases as determined necessary to remain focused on the most important functionality for the October 2013 release.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Compliance with HHS IT Guidance	Q3 - CY2013	3. On Schedule	CTHIX Technical RTM - doc7612 - Tab T1 - #T1.1 - T1.4.0.9 CTHIX Updated CONOPs-doc7550
2	Adequate technology infrastructure and bandwidth	Q3 - CY2013	3. On Schedule	CTHIX Technical RTM - doc7612 - Tab T1 - #T1.1 - T1.4.0.9 CTHIX Updated CONOPs-doc7550
3	IV&V, quality management and test procedures	Q3 - CY2013	3. On Schedule	CTHIX IE Procurement Strategy Final Draft - doc10486: (page 19) CTHIX Project Management Plan-doc7464

A. Core Areas Privacy and Security

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Privacy and Security
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> The State of Connecticut and the Exchange established a Program Management Office (PMO) to facilitate an overall strategic integration approach to manage the implementation of the CTHIX and Integrated Eligibility System. The PMO oversees the development, testing, and implementation of the Integrated Eligibility and CT HIX solution. The PMO is comprised of project managers with staff consisting of program area leads, Subject Matter Experts in Program and Policy, IT, Compliance, Security, and Legal. One of the key PMO responsibilities would be to assure adherence to data management and security standards, including Federal Hub data transfer interface and privacy and security compliance. The CT HIX awarded a contract to Deloitte as the System Integrator (SI) vendor for the implementation of the CT HIX and Integrated Eligibility System. The Statement of Work (SOW) for the SI included more than 50 technical requirements consistent with 45 CFR 155.260(a) - (g) related to privacy and security, including: Security Architecture, Directories, Authentication, Knowledge - Based Authentication (KBA), Authorization, Privilege Management, Message Encryption, Electronic Signatures, Audit, General Privacy and Security, Intrusion Management, Malware and Virus Protection. In addition, the SI was provided with the appropriate security policies so that the system is developed to secure and maintain CT HIX/IE aligned with the state policies.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> In the Fall of 2012, the SI began identifying all relevant privacy and security standards (including Federal, State, and Local laws and regulations) based on the functionality being deployed. In December 2012, the SI conducted a series of sessions related to privacy and security to gather information and validate the security requirements that were defined for the Exchange. The Security Plan deliverable, once finalized, would include the business, information and technical guidance for implementing controls to address Affordable Care Act (ACA) regulations for the protection of data received, stored, processed and transmitted by the Exchange and data services hub. In addition, the Security Plan would describe the controls in place to protect data contained in Exchange and data services hub systems - both Federal Tax Information (FTI) and non-FTI. Deloitte plans to submit a draft Security Plan deliverable during the 1st Qtr of 2013. Additionally, the SI is in the process of completing a Privacy Impact Assessment (PIA) to communicate to CMS the business environment in which personally identifiable information (PII) will be collected, created, used, disclosed, retained and destroyed, and how the state of Connecticut interprets and implements the privacy obligations outlined in Section 155.260 of the Final Rule of the ACA. The PIA deliverable will serve as an input into the ACA Blueprint and Design Review Processes and will be used to assess any future privacy impacts due to changes in the functions or systems.
What are some of the significant barriers your Program has encountered?	The position of IT Security and Compliance Manager is not yet fulfilled as of December 2012. Currently, the PMO organization assures adherence to data management and security standards, including Federal Hub data transfer interface and privacy and security compliance.
What strategies has your Program employed to deal with these barriers?	The Exchange is actively recruiting for the position of an IT Security and Compliance Manager and expects to onboard the resource in February 2013. This position will be responsible for managing all the IT Security/Compliance and Privacy activities for the Exchange System including the definition, implementation, and maintenance of information security policies, standards, and procedures. This includes various standards that the project needs to follow (HIPAA, NIST, PCI, IRS 1075, FISMA, PHI, and PII). This position will provide supervision, direction, and coordination of the business, functional, and technical teams as various components of the Exchange System are validated. In addition, this position will coordinate Security Testing against project requirements, and be responsible for the training of key Subject Matter Experts (SMEs) to accelerate the testing process.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Privacy and Security standards policies and procedures	Q1 - CY2013	3. On Schedule	
2	Safeguards based on HHS IT guidance	Q1 - CY2013	3. On Schedule	
3	Safeguard protections for Federal information	Q3 - CY2013	3. On Schedule	

A. Core Areas Oversight, Monitoring, and Reporting

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Oversight, Monitoring, and Reporting
What are the primary strategies your Program has used to approach this Core Area?	<p>There are three different groups that have primary responsibility for overseeing the CTHIX:</p> <ol style="list-style-type: none"> 1. The Federal Agencies CMS and CCIIO, which have regular gateway reviews and other monitoring mechanisms. 2. A CTHIX Board of Directors has been established, and meets monthly. This Board includes the following members: <ul style="list-style-type: none"> • Board members <p>Governor's Appointees</p> <ul style="list-style-type: none"> • Lt. Governor Nancy Wyman • Mary C. Fox, Aetna <p>Legislative Leadership Appointees</p> <ul style="list-style-type: none"> • Michael Devine, Earth Energy Alliance • Vacant (as of 11/30/2012) • Grant A. Ritter, Schneider Institutes for Health Policy • Robert E. Scalettar, Anthem Blue Cross Blue Shield • Robert F. Tessier, CT Coalition of Taft Hartley Health Funds • Cecilia J. Woods, Permanent Commission on the Status of Women <p>Ex Officio Voting Members</p> <ul style="list-style-type: none"> • Benjamin Barnes, Secretary, Office of Policy and Management • Roderick L. Bremby, Commissioner, DSS • Vacant (as of 1/1/2013) • Victoria Veltri, Office of the Healthcare Advocate10 <p>Ex Officio Nonvoting Members</p> <ul style="list-style-type: none"> • Anne Melissa Dowling, Insurance Department • Jewel Mullen, Department of Public Health <ol style="list-style-type: none"> 3. A Program Management Office Steering Committee (PMO SC) that meets monthly and provides a closer project controlling function. The PMO SC is staffed by representatives from DSS, CT HIX, OPM, and BEST. <p>In addition, in order to position the State to meet operational benchmarks for statebased Exchange and integrated eligibility project development, the State also utilizes an Integrated Eligibility Program Management Office (IE PMO) to facilitate the aggressive system build schedule established by CMS/CCIIO delivery milestone guidelines and the deadlines required by the ACA to ensure program integration across state agencies. The primary goal of the IE PMO is to ensure the successful outcome of complex programs by systematically reducing risk, evaluating constraints, and aligning stakeholder expectations through the application of project management policies, processes, and methods. The IE PMO is the source for direction, documentation, and metrics related to managing and implementing the organization's projects. Key functions for the IE PMO governance include a standard methodology, project planning, project management, and most importantly, project review and analysis.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> • MOUs are being developed between DSS, HIX, and BEST and have been finalized with OPM that outlines the scope and structure of the IE PMO. Key resources have been assigned to assist in leading the IE PMO and making it operational. The progress of the CT HIX program is being managed and monitored by the IE PMO utilizing the best practice based processes outlined in the Project Management Plan. Weekly meetings with the project stakeholders produce an executive dashboard that, when rolled up, communicates status of program schedule, risks, issues, and changes. The IE PMO uses the dashboard to facilitate a weekly conversation with project stakeholders to communicate project progress in terms of project management metrics as well as address risks, issues or other concerns. • Recognizing the importance of the oversight, monitoring, and reporting for the Exchange's success, the CT HIX on-boarded an Associate Director of Reporting as part of the Finance team to establish and execute a process to fulfill both Federal and State regulatory reporting requirements for CT HIX, including reporting program implementation, administration, program monitoring and assessment. This position is tasked with managing CT HIX reporting obligations for the Governor and State Auditors of Public Accounts, the State Office of Fiscal Analysis, Federal Center for Consumer Information and Insurance Oversight (CCIIO), and Federal Centers for Medicare & Medicaid Services (CMS). • While the CT HIX is managing the two open procurements to acquire Business Process Outsourcing vendors for the Exchange Call Center and Small Business Health Options (SHOP) program, special attention has been given to developing Service Level Agreement (SLA) functional and technical metrics representing key performance indicators that the CT HIX will require of the BPO vendors. An agreed-upon set of detailed SLAs and associated performance guarantees will be included in the vendor contracts. These metrics will be incorporated in an executive level CT HIX Performance Dashboard once the Exchange is fully operational.

	<ul style="list-style-type: none"> In December 2012, the CT HIX was awarded the Level I and Level II Grants directly from CMS, after submitting an application for a change in grantee from the State of Connecticut. Prior to the change, the State OPM was the grantee, was directly managing and overseeing the funds for the CT HIX establishment, and was submitting financial reports to CMS/CCIIO. As of December 21, 2012, the CT HIX assumed management responsibility for all funds and reporting and will independently administer and manage these and any future grant awards. Staff has been working to engage our Advisory Committees as partners. The deep level to which they are involved has given staff the opportunity to report about what we are doing and why, which the Advisory Committees incorporate into their work and requirements on the Staff. This detailed engagement of the Advisory Committees has been instrumental in a better process to determine Essential Health Benefits, solicitation of Qualified Health Plans, and the development of Standardized Plan Designs.
What are some of the significant barriers your Program has encountered?	<ul style="list-style-type: none"> Resourcing the IE PMO appeared to be a key constraint at the initial roll out of the PMO organization. The intricacy and complexity of building a SBE creates a need for staff to engage stakeholders continually and in depth. There are many stakeholders passionate about serving the under-insured and the uninsured, and the work we are doing with the Advisory Committees effectively serves as oversight. Engaging the Advisory Committees as we must do means many of our policy decisions take longer than if we had not engaged.
What strategies has your Program employed to deal with these barriers?	<ul style="list-style-type: none"> CT HIX has complemented IE PMO staffing by using skilled specialists from external vendors. This option provides CT HIX with both the flexibility and scalability that will be needed to operate a functioning IE PMO. Staff will continue to engage the Advisory Committees as the short-term challenges are more than superseded by the trust and collaboration that leads to better outcomes and decisions.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Routine oversight and monitoring of the Exchange's Activities	Q4 - CY2012	5. Complete	CTHIX Project Management Plan - CALT doc7464 - Section - 6, Section 8, Section 9 MOU between HIX and OPM- CALT doc10052
2	Track/report performance and outcomes metrics related to Exchange Activities	Q3 - CY2013	3. On Schedule	
3	Uphold financial integrity provisions including accounting, reporting, and auditing procedures	Q4 - CY2012	5. Complete	MOU between HIX and OPM- CALT docs 10052; CALT doc10488: 11.3a Accounting Policy and Procedures, doc10489: 11.3b Audits Policy (00034824-4) , doc10490: 11.3c Policy re. Adoption of Budget and Plan of Operations (00035568-4), doc10491: 11.3d Policy. Acquisition of Real-Personal Property (short form alternative) (00035486-5), doc10492: 11.3e Policy. Contracting for Personal Services (short form alternative) (00035474-4), doc10493: 11.3f Reports Policy (00034825-2)

A. Core Areas Contracting, Outsourcing, and Agreements

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Contracting, Outsourcing, and Agreements
What are the primary strategies your Program has used to approach this Core Area?	<p>The CT Exchange has several agreements/contracts currently, and plans to partner with firms in the future to address key issues in its Exchange development. Below is a brief summary of each agreement that is active, pending or currently being developed:</p> <ul style="list-style-type: none"> • Connecticut's technical assistance contractor, KPMG LLP (KPMG), began work in February 2012 and is conducting assessments of business and technical requirements for the Exchange. Additionally, KPMG is focused on defining a strategy for an integrated eligibility solution for Connecticut, making recommendations for a procurement strategy, estimating costs, and providing procurement support. Last, KPMG is conducting an assessment of existing consumer assistance capabilities as well as developing the business and technical requirements for the customer service center. • Another significant contract was awarded to a marketing and communications firm, Mintz & Hoke Communications Group, which is tasked with developing a comprehensive consumer engagement strategy based on a deep understanding of what's required to successfully reach and engage Connecticut's diverse population. The market exploration phase is complete and was followed immediately with the strategy development phase. CTHIX is committed to building a consumer-centric model that optimizes consumer outreach and engagement. • The Exchange conducted extensive planning and coordination activities with other Connecticut state agencies, specifically with the CID, DSS, OPM, and the OHRI. Furthermore, the CTHIX planning process served as a catalyst for the CTHIX to pursue close collaboration with DSS to identify areas of technology asset reuse and to streamline social services' program eligibility determination and enrollment processes. • The CTHIX has negotiated and executed Memoranda of Understanding (MOUs) with CID and is currently finalizing one with DSS. These agreements document the specific roles and responsibilities each agency will undertake to support the successful implementation of the CTHIX. In addition, the Exchange has initiated an MOU with the Connecticut Department of Administrative Services' (DAS) Bureau of Enterprise Systems & Technology (BEST) to document the technology hosting and operational support roles that BEST may play in the Exchange. The CTHIX is also collaborating closely with OHRI on the development of an all payer claims database (APCD), which will support a number of Exchange activities. • The CTHIX and DSS recently formalized an integrated approach for eligibility as outlined in the Integrated Eligibility Program Management Office (IEPMO) scope of work. The IEPMO will ensure coordinated planning and procurement that enables the maximum reuse and sharing of technical resources and vendors to establish an integrated eligibility system in a compressed timeline. In addition to the IEPMO relationship, an MOU between the CTHIX and DSS will be executed that identifies the specific roles and responsibilities of each agency. We anticipate a final MOU to be approved within the next several weeks. • Connecticut passed legislation in May 2012 authorizing the creation of a statewide all payer claims database (APCD). The creation of an APCD will make data available for use by the CTHIX in a variety of areas, including cost and quality reporting related to qualified health plans (QHPs), consumer decision support functionality, and monitoring provider and plan management activities. The CTHIX is working with OHRI to define the implementation strategy for the APCD so that it can be effectively leveraged by the CTHIX. • The MOU between the CTHIX and CID was executed on May 14, 2012. It sets procedures for the CID to assist in the qualified health plan certification process, participate in CTHIX activities, provide consumer services, and provide ongoing technical assistance and training, as necessary. The CTHIX will rely on CID to oversee and monitor the activities of health insurers that participate on the CTHIX, as well as brokers and agents who may assist consumers that purchase coverage through the Exchange. The CTHIX also plans to reuse the CID's plan management processes. • Key strategies the CTHIX has used to reduce contract costs and the time required between starting the procurement process and contract execution include leveraging the State of Connecticut's prequalified vendor list and the State's existing contracts, where practicable to do so. For example, the CT HIX leveraged an existing state contract to secure Deloitte, Consulting LLP as its System Integrator. Specifically, the CT HIX first prequalified vendors, by requiring each vendor to have a current state of Connecticut contract for a substantially similar information technology service. In addition, each vendor, in order to be considered as Systems Integrator was required to agree to accept all the Terms and Conditions of their current state contract, including the rate card adjusted only for inflation. These requirements substantially reduced the amount of time required to negotiate the Agreement and allowed the focus to shift to defining the Statement of Work (SOW). Based on qualifications, Deloitte was selected as the vendor of choice. The CT HIX was then able to purchase Deloitte's services through a purchase order to a Department of Administrative Services contract that executed in November 2011 for the benefit of the Department of Social Services. • The CTHIX also routinely seeks price quotes from prequalified vendors from a vendor list maintained by the Department of Administrative Services. The Exchange must still execute a contract with the selected vendor, but the vendor has already agreed to use the state's rate card adjusted only for inflation. The vendor is also well aware of the anti-discrimination and ethics requirements of the state of Connecticut thereby shortening the time required to reach agreement in these areas. • In addition, the CTHIX uses a model contract template to facilitate contracting and has incorporated language from "Best Practices and Requirements in Contract and Procurement for Exchange Information Technology" into this template.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>During this reporting period, the CT HIX entered into the following contracts and/or agreements:</p> <ul style="list-style-type: none"> • Thomson Reuters was contracted to develop a more detailed profile of CT residents engaging with the Exchange and State programs beginning in 2013 and beyond. Data was extracted and analyzed from several sources, including: U.S. Census; America Community Survey; and the Insurance Coverage Estimates (ICE) tool. Data analyzed was foundational for the development of the CT HIX's marketing strategy and outreach efforts across the state. • Deloitte Consulting LLP was contracted in October to develop and implement the Exchange's extensive operating technology and

Internet website. This system will be used to determine eligibility and to enroll individuals, families, and small businesses that purchase health care coverage through the Exchange's online marketplace. Deloitte was selected as the Exchange's System Integrator after a comprehensive vendor evaluation that began in June of 2012.

- The Exchange finalized its lease agreement for permanent office space on the 15th floor of 280 Trumbull Street, in downtown Hartford, CT. A project management firm was contracted to oversee logistics, office build-out, and the move. The HIX will be vacating its current space within 450 Capitol Avenue by mid-January 2013. The Exchange has partnered with the BEST network and telephony teams in support of the technical infrastructure in the new office space, and has leveraged the state-approved furniture vendor and state government pricing for furnishings.
- Gorman Actuarial, LLC. was contracted in September 2012 to survey the small business and individual insurance market in Connecticut so that the Exchange can better understand the potential financial impact of its actions and better address carrier and stakeholder questions and concerns. In addition, Gorman Actuarial is currently providing technical assistance as the Exchange works to develop the standard plan design and assess premium impact.
- Wakely Consulting was contracted in October 2012 to assist the Exchange with analyses and technical assistance with respect to the QHP solicitation and standard benefit design at the four metal tiers.
- KardasLarson was contracted in November 2012 to review employee benefits and recommend a program competitive with that of other quasi-public agencies in the state of Connecticut and the private market, so that the CTHIX would be able to offer a competitive benefits package for the recruitment and retention of staff.
- In October, 2012, Connecticut issued a Request for Proposal (RFP) to qualified Call Center Vendors to support the Exchange. This RFP seeks proposals from Call Center Vendors with business process outsourcing (BPO) solutions that provide customer support for the Exchange and Integrated Eligibility (IE) solutions to establish the Exchange Call Center including a supporting Interactive Voice Response (IVR) system. The Call Center will be responsible for providing assistance to individuals, employers, employees, brokers and Assistants. In cases where consumers require in-person support, the Call Center will also be responsible for routing them to local Assistants if needed. Seven Proposals were received in November, and after an extensive proposal evaluation which included oral presentations and site visits with the two vendor finalists, a successful vendor was identified in December, 2012. Contract term negotiations are currently on-going, and an early 2013 award is anticipated.
- In December, 2012 the CT HIX issued a Request for Proposal (RFP) to qualified SHOP Exchange Vendors. This RFP seeks proposals from qualified Business Process Outsourcing (BPO) Vendors to assist with the design, development, and implementation of a Small Business Health Options Program (SHOP) Exchange solution. The CT HIX plans to establish a SHOP Exchange as a new marketplace that gives small businesses the buying power of large businesses and creates more insurance choice for employees. Once in operation, the SHOP Exchange will provide access to numerous choices in levels of coverage, plan designs, and cost. Proposals are due to the CT HIX in January, 2013.

What are some of the significant barriers your Program has encountered?	No significant barriers have been encountered to date in this area. Progress against milestones is being monitored and tracked, and where significant issues arise they will be captured in the Risk or Issues Log(s).
What strategies has your Program employed to deal with these barriers?	Not Applicable

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Contracting and outsourcing agreements	Q4 - CY2012	5. Complete	This activity has been identified as Complete in the Connecticut Blueprint Package; Contract Listing updated as of 1-17-2013 doc-100050 and also attached to this progress report In addition, all contracts are posted on the CT HIX website once executed

A. Core Areas State Partnership Exchange Activities

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015	4. Reporting Period End Date 12/31/2012
		3b. EIN 1066000798J2	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	State Partnership Exchange Activities
What are the primary strategies your Program has used to approach this Core Area?	<ul style="list-style-type: none"> At this time, Connecticut is on track to implement a stand-alone state wide Exchange, including administering local plan management and consumer assistance activities. As such, no formal agreements or arrangements have been made with other States to partner on any specific aspect of Exchange functionality. However different states have been consulted when developing CT HIX specific internal processes in order to effectively administer and operate core functions of the Exchange. The system solution is being developed and implemented by Deloitte utilizing a transferrable solution from the State of Washington. CT HIX has actively worked with the State of Washington to outline a Memorandum of Understanding (MOU) for sharing design, development, and implementation artifacts between the two states, as well as sharing lessons learned throughout the process. While no formal agreements are yet in place related to the design and build of Connecticut's state based Exchange, the CT HIX staff and related personnel do actively engage with representatives from other state Exchanges to share ideas and best practices, while helping to establish relationships which aid in building a national community of exchange focused individuals. For example, guided by the principles of state collaboration and knowledge sharing, the CT HIX has researched consumer support models that other states have chosen to develop and facilitate their outreach efforts. Connecticut is currently in the process of finalizing its In-Person Assister program which considered consumer assistance models selected by Arkansas, Nevada, and New York. The CT HIX is committed to leveraging the excellent work being done by other Exchange teams across the country, as well as actively sharing any findings and experiences personally derived with other states in an effort to promote the success of all Exchange operations at the national level.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<ul style="list-style-type: none"> Efforts in this area include broad participation in national events such as CCIIO's system wide meetings, as well as participation in regional events such as those coordinated by The New England States Consortium Systems Organization (NESCSO). The MOU between CT HIX and the state of Washington is currently being drafted. Once finalized, the agreement will formally strengthen the relationship between the two states and will help both states increase business process efficiency and improve knowledge sharing. To align its business processes with the developments around Federally Facilitated Exchanges (FFE), CT HIX has been following the FFE's progress intently, including but not limited to, reviewing published draft FFE interface specifications, incorporating SERFF plan management templates and standards into plan management design, and reviewing FFE communication with the issuers to identify processes that can be streamlined.
What are some of the significant barriers your Program has encountered?	<ul style="list-style-type: none"> No significant barriers have been encountered to date in this area. Progress against milestones is being monitored and tracked, and where significant issues arise they will be captured in the Risk or Issues Log(s). It is interesting to note that sharing, or "reuse" is a challenge when all other SBEs are striving to meet the October 1, 2013 deadline, with solutions which are tailored to their individual state. We expect that our work may be best utilized by those states which have recently decided to build exchanges.
What strategies has your Program employed to deal with these barriers?	The CT HIX will continue to work with CCIIO and other states to ensure best practices are shared.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Plan Management Agreements		1. No Activity Planned	
2	Capacity to interface with the Federally-facilitated Exchange		1. No Activity Planned	

3	Consumer assistance Agreements		1. No Activity Planned	
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C. Overall Project

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110070	3a. DUNS 807853015 3b. EIN 1066000798J2	4. Reporting Period End Date 12/31/2012
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A. Milestones (continued) Complete questions for each Milestone.

C. Overall Project

(1) Question	(2) Response
Status of Project	4. On Schedule
Percentage Completed	3. 24-49%
Overall Progress Narrative	<p>Connecticut has made significant progress in the planning and establishment of the Connecticut Health Insurance Exchange (CTHIX). The Establishment Planning Grant awarded to the state of Connecticut in September 2010 provided funds necessary to begin researching the variables and complexities involved in organizing a new health insurance marketplace, as well as exploring the dynamics of improving system affordability, quality and delivery for the state's residents and businesses.</p> <p>To build on the work conducted under the Planning Grant, Connecticut applied for a Level One Establishment Grant and was awarded \$6.7M in August 2011, and an administrative supplement in June 2012 in the amount of \$1.5M for a total Level One Establishment Grant of \$8.2M. These funds have allowed Connecticut to shape strategy successfully and meet necessary development milestones and benchmarks. The funds have been primarily allocated to the following areas:</p> <ul style="list-style-type: none"> • Establishment of organizational structure and leadership staffing • Assessment and analysis of business operations and IT systems • Assessment of consumer support capabilities and requirements • Market research and strategy development <p>The Exchange has made significant progress since the submission of the Level One Establishment application in planning for future business operations and developing an implementation plan that describes specific goals, milestones, and timeframes.</p> <p>As a result of that progress, the State of Connecticut applied for a Level Two Establishment Grant and was awarded \$107.3M in August of 2012. These funds are allowing Connecticut to further its planning, development, and design of a Health Insurance Exchange through the hiring of additional staff and consultants to manage the activities related to the creation and on-going operations of the Exchange through the calendar year 2014. A substantial portion of these funds is being used to develop an IT system that facilitates critical Exchange functions including eligibility, enrollment, and information exchange among individual consumers, employers, insurance carriers, and state and Federal government agencies.</p> <p>Lastly, the CTHIX has worked diligently to ensure the necessary financial processes and procedures were developed and implemented in order for the CT HIX to assume management responsibility for all grant funds. In October, 2012, the CT HIX filed a Grantee change application to change the grantee on the Level One and Level Two grants from the State of Connecticut's OPM directly to the Exchange. The CT HIX received approval through issuance of new establishment grants (both Level One and Level Two) in December, 2012.</p> <p>Please see the Core Area summaries for a more detailed review of Exchange progress and activities during the grant periods of performance.</p>
Document approved changes to your Program's work plan	<p>Comments:</p> <p>The Board of Directors approved a reallocation of Level One funds during the January 19, 2012, meeting. This reallocation covered necessary professional services to support consumer research, advisory committee research and policy recommendations, executive recruitment efforts and general Exchange program development. The approved reallocation amount was \$1,210,000 from the total award of \$6,687,933.</p> <p>After a successful Design Review with CMS in September 2012, the CT HIX submitted its Blue Print Application Package with all applicable attestations and overall work plan in October 2012. Based on this submission, the CT HIX received conditional approval from CMS on December 7, 2012, as a state-based Exchange for the plan year 2014.</p> <p>For the purposes of this report, and as requested by CMS, the overall Work Plan has been separated into two summary work plans for Level</p>

	<p>One and Level Two grant specific activities, including a status column, and both Plans have been attached to this Progress Report.</p> <ul style="list-style-type: none"> • The Level One Grant Work Plan is entitled "CTHIX Level I Grant Project Plan" with progress updated as of December 20, 2012. Overall Project Progress, based on this work plan, is at 72% complete. • The Level Two Grant Work Plan is entitled "CTHIX IEPMO Work Plan" with progress updated as of December 20, 2012. Overall Project Progress, based on this work plan, is at 30% complete.
<p>Please describe any changes to key personnel assigned to this project, including contractual staff</p>	<p>Comments:</p> <p>Core positions required to establish the Exchange were filled during this reporting period. The Exchange has created a dynamic approach to staffing the organization, utilizing both consultant support and CT HIX staff, for successful ongoing operations while simultaneously managing the design, development, and implementation of the evolving CTHIX solution.</p> <p>The recruitment of skilled and experienced staff to lead the Exchange has been key to the success and progress of the CT HIX to date. All executive leadership positions have been filled, including CEO, COO, CFO, CIO, Chief Marketing Officer, and Director of Policy and Plan Management.</p> <p>In addition, key contractual staff has been on-boarded, including:</p> <ul style="list-style-type: none"> • KPMG program management and technical staff • Deloitte system integration staff • Mintz & Hoke marketing staff • Pappas MacDonnell marketing staff
<p>Request CCIIO consultation</p>	<p>Yes <input checked="" type="checkbox"/> No</p> <p>Comments:</p> <p>No requests at this time.</p>