



DANNEL P. MALLOY
GOVERNOR
STATE OF CONNECTICUT

June 26, 2012

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

Dear Secretary Sebelius:

I am pleased to endorse the State of Connecticut's application for Level Two funding under the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*.

In June 2011, Connecticut enacted Public Act 11-53, establishing the Connecticut Health Insurance Exchange, a quasi-public agency with a board of directors appointed by both the legislative and executive branches of government. This agency has my complete support and the legal authority to establish Connecticut's Health Insurance Exchange.

It is my vision that the Connecticut Health Insurance Exchange will provide Connecticut residents with an enhanced and more coordinated health insurance shopping experience. It is my administration's intention to reduce the number of uninsured residents, improve health care quality, lower costs and reduce health disparities, in part through an innovative, competitive marketplace that empowers consumers to choose the health plan and health care providers that offer the best value.

Connecticut is well underway in its efforts to establish a fully operational Health Insurance Exchange by October 1, 2013. I am confident that this Level Two application identifies the funding and resources needed to establish an Exchange that best meets the health insurance needs of the citizens of Connecticut.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dannel P. Malloy".

Dannel P. Malloy
Governor

cc: Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors
Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange
Kevin Counihan, Chief Executive Officer, Connecticut Health Insurance Exchange
Benjamin Barnes, Secretary, Office of Policy and Management
Roderick L. Bremby, Commissioner, Department of Social Services
Thomas B. Leonardi, Commissioner, Connecticut Insurance Department



Nancy Wyman

LIEUTENANT GOVERNOR
STATE OF CONNECTICUT

June 27, 2012

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

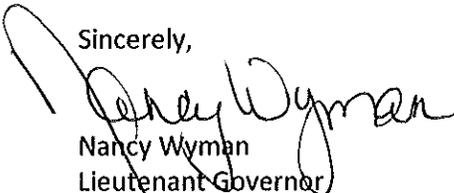
Dear Secretary Sebelius:

I extend my complete support to the State of Connecticut's application for Level Two funding under the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*. As the Chair of the Connecticut Health Insurance Exchange Board of Directors, I oversee the administration's efforts to implement the Connecticut Exchange and look forward to my continued involvement in this important initiative.

Connecticut has made steady progress in Exchange planning core areas, with the commitment to meaningful reform that increases access to health insurance while also developing policies to improve individual and community health, reduce health care costs, and achieve long-term system sustainability.

Connecticut is dedicated to a coordinated, transparent, inclusive process to design, develop, and implement a Health Insurance Exchange that best serves the unique needs of our citizens, businesses and health care community by October 1, 2013. We are proud to be a part of this important and historic initiative.

Sincerely,



Nancy Wyman
Lieutenant Governor

Chair of the Connecticut Exchange Board of Directors

cc: Dannel P. Malloy, Governor

Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange
Kevin Counihan, Chief Executive Officer, Connecticut Health Insurance Exchange
Benjamin Barnes, Secretary, Office of Policy and Management
Roderick L. Bremby, Commissioner, Department of Social Services
Thomas B. Leonard, Commissioner, Connecticut Insurance Department

State of Connecticut



Hartford

THOMAS B. LEONARDI
INSURANCE COMMISSIONER

P. O. BOX 816
HARTFORD, CT 06142-0816

June 27, 2012

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

Dear Secretary Sebelius:

I am pleased to support the State of Connecticut's application for Establishment Grant Level Two funding to advance progress in the design and development of a state-based Health Insurance Exchange.

The Connecticut Insurance Department has been an active partner in the work accomplished to date to develop an Exchange and is committed to continue working collaboratively with the Connecticut Health Insurance Exchange as illustrated through a memorandum of understanding between our agencies that will serve as roadmap for ongoing coordination.

We are committed to continuing our close engagement as appropriate with specific concentration in the area of plan management, and I look forward to this next phase of work toward the goal of establishing a fully functioning Health Insurance Exchange in Connecticut by October 1, 2013.

Sincerely,

A handwritten signature in black ink that reads "Thomas B. Leonardi". The signature is written in a cursive style.

Thomas B. Leonardi
Commissioner
Connecticut Insurance Department

cc: Dannel P. Malloy, Governor
Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors
Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange
Benjamin Barnes, Secretary, Office of Policy and Management
Roderick L. Bremby, Commissioner, Department of Social Services



RODERICK L. BREMBY
Commissioner

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

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June 27, 2012

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

Dear Secretary Sebelius:

I fully support the State of Connecticut's application for Establishment Grant Level Two funding to create a fully operational state-based Health Insurance Exchange by October 1, 2013.

As Commissioner of the Connecticut Department of Social Services, my agency is collaborating with the Connecticut Health Insurance Exchange to develop shared functionalities between the Medicaid and CHIP programs to ensure the development of a coordinated approach that best serves the citizens of Connecticut.

I look forward to continuing to work with the Exchange, the Connecticut Insurance Department, as well as other stakeholders, in the successful development of a Health Insurance Exchange for the benefit of the citizens of Connecticut.

Sincerely,

Roderick L. Bremby
Commissioner
Department of Social Services

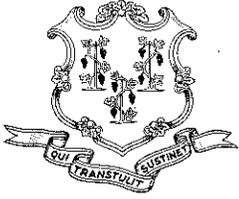
cc: Dannel P. Malloy, Governor

Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors

Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange

Benjamin Barnes, Secretary, Office of Policy and Management

Thomas B. Leonardi, Commissioner, Connecticut Insurance Department



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

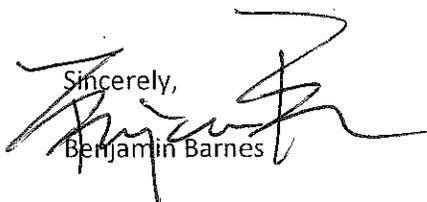
June 27, 2012

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

Dear Secretary Sebelius:

The Office of Policy and Management is pleased to submit this letter of support for the State of Connecticut's Level Two funding request under the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*.

One of Governor Malloy's major policy objectives is the implementation of health care reform to provide affordable, accessible and high quality health care for all Connecticut residents. The Health Insurance Exchange is at the forefront of Connecticut's efforts to achieve this goal. While the Office of Policy and Management has recently transitioned its administrative role with regard to this initiative to the Connecticut Health Insurance Exchange, we continue to support the establishment of a fully operational state-based Exchange by October 1, 2013 through my membership on the Health Insurance Exchange Board of Directors.

Sincerely,

Benjamin Barnes

Secretary
Office of Policy and Management

cc: Dannel P. Malloy, Governor
Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors
Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange
Roderick L. Bremby, Commissioner, Department of Social Services
Thomas B. Leonardi, Commissioner, Connecticut Insurance Department



STATE OF CONNECTICUT
DEPARTMENT OF ADMINISTRATIVE SERVICES
BUREAU OF ENTERPRISE SYSTEMS & TECHNOLOGY



June 27, 2012

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

Dear Secretary Sebelius:

The Connecticut Bureau of Enterprise Systems and Technology (BEST) is pleased to submit this letter of support for the State of Connecticut's Level Two funding request under the *Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges*.

BEST provides information technology services and solutions to state agency customers, effectively aligning business and technology objectives through collaboration to provide the most cost-effective solutions that facilitate and improve the conduct of business for our state residents, businesses, visitors and government entities. BEST is committed to working with the Connecticut Health Insurance Exchange to identify and implement the most cost effective support structure to meet the needs of this health care reform initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark D. Raymond'.

Mark Raymond
Chief Information Officer
Bureau of Enterprise Systems and Technology

cc: Dannel P. Malloy, Governor
Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors
Tia Cintron, Acting Chief Executive Officer, Connecticut Health Insurance Exchange
Benjamin Barnes, Secretary, Office of Policy and Management
Roderick L. Bremby, Commissioner, Department of Social Services
Thomas B. Leonardi, Commissioner, Connecticut Insurance Department

Connecticut Health Insurance Exchange

June 27, 2012

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

Dear Secretary Sebelius:

The Connecticut Health Insurance Exchange is pleased to submit this application for the State of Connecticut's Level Two funding request under the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges. The Connecticut Health Insurance Exchange is currently administering the Level One Establishment grant awarded on August 12, 2011 and looks forward to building on that foundation with Level Two Establishment funding.

Connecticut's applicant information as requested:

Project Title: Connecticut Level Two Exchange Establishment Grant
Applicant's Name: Connecticut Health Insurance Exchange
Project Director: Tia Cintron, Acting CEO
Phone: 860-418-6407; Email: Tia.Cintron@ct.gov

The projects described in this Level Two application will enable Connecticut to achieve the goal of establishing a fully operational state-based Health Insurance Exchange by October 1, 2013. Connecticut is committed to ensuring a transparent, inclusive and comprehensive approach to all phases of this important and transformational project.

Sincerely,



Tia Cintron
Acting Chief Executive Officer
Connecticut Health Insurance Exchange

cc: Dannel P. Malloy, Governor
Nancy Wyman, Lieutenant Governor; Chair, Connecticut Health Insurance Exchange Board of Directors
Benjamin Barnes, Secretary, Office of Policy and Management
Roderick L. Bremby, Commissioner, Department of Social Services
Thomas B. Leonardi, Commissioner, Connecticut Insurance Department

D. Project Abstract

Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges
Connecticut Health Insurance Exchange - Level Two Establishment Grant Application
Funding Opportunity Number: IE-HBE-11-004/CFDA: 93.525

Project Director: Tia Cintron, Acting CEO for the CT Health Insurance Exchange
450 Capitol Avenue MS#52-LTC
Hartford, CT 06206-1379
Phone: (860) 418-6407 Fax: (860) 418-6495

Tia.cintron@ct.gov

<http://www.healthreform.ct.gov/ohri/cwp/view.asp?a=2742&q=333530>

Congressional district(s) served: CT1, CT2, CT3, CT4, and CT5

Level Two Establishment Grant
August 15, 2012 - December 31, 2014

Overview

The State of Connecticut is applying for a Level Two Establishment Grant from the Center for Consumer Information and Insurance Oversight (CCIIO) to further its planning, development and design of a Health Insurance Exchange. The application is part of the Patient Protection and Affordable Care Act (ACA), which will increase access to affordable health coverage and reduce the number of uninsured and underinsured residents in the State of Connecticut.

History of the Organization

Connecticut's General Assembly enacted Public Act 11-53 in June 2011, which establishes the Connecticut Health Insurance Exchange and provides the legal authority to establish and operate an Exchange in Connecticut that complies with all federal requirements. The Act establishes the Exchange as a quasi-public entity governed by a 14-member Board of Directors. In addition to establishing the Exchange, legislation was enacted by Connecticut's General Assembly in June 2011 to implement federal health care reform in the state. Public Act 11-58 establishes the Office of Health Reform and Innovation (OHRI) within the Office of the Lieutenant Governor to oversee statewide implementation of federal health care reform.

Populations Served by the Project

All uninsured individuals currently estimated to be 377,000.

Proposed Projects and Deliverables

The requested funding will provide assistance to hire staff and consultants to manage the activities related to the creation and on-going operations of the Exchange during the grant period. In addition, a substantial portion of the requested funding will be used to develop an IT system that facilitates critical Exchange functions. These include eligibility, enrollment, and information exchange among individuals, employers, insurance carriers, and state and federal government agencies.

Proposed Impact of the Funding

The Level Two Establishment funding is critical for moving forward with the development and implementation of the Connecticut Health Insurance Exchange. Without the requested funding, Connecticut would not be able to proceed with the development of the Exchange.

E. Project Narrative

E-1. Demonstration of Past Progress in Exchange Planning Core Areas

Connecticut has made significant progress in the past 20 months planning for implementation of the Connecticut Health Insurance Exchange (CTHIX). The Establishment Planning Grant awarded to 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.

- 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. 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:
- 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

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 currently nearing completion and will be followed immediately with the strategy development phase. CTHIX is committed to building a consumer-centric model that optimizes consumer outreach and engagement.

A high-level snapshot of achievements to date:

Figure 1. CTHIX Achievements to Date



Connecticut completed planning-related tasks in each of these core areas and made significant progress in all Level One Establishment projects. Connecticut achieved the eligibility criteria for Level Two funding as evidenced by the following:

- In June 2011, Connecticut’s General Assembly enacted Public Act 11-53¹ which created the Connecticut Health Insurance Exchange.
- The Act establishes the Exchange as a quasi-public authority governed by a 14-member Board of Directors which convened for the first time in September 2011. The Exchange Project Director was appointed Acting CEO in December 2011 to carry out the responsibilities needed to meet the federal deadlines until the permanent CEO was hired.
- Significant financial planning has been completed, including development of a budget through 2014, a plan to achieve financial stability by 2015, and a plan to prevent fraud, waste and abuse.
- The work plan and project narrative describe how the CTHIX will create and expand assistance to individuals and small businesses, including a customer service center. A strong collaboration between CT agencies and stakeholders ensures that Connecticut will meet the needs of its citizens.

Following is a discussion of Connecticut’s progress in each of the core areas.

A. Background Research

Connecticut has completed the background research necessary to support an effective Exchange implementation. Through a contract with Mercer Health and Benefits, LLC (Mercer), this initial research focused on a number of core areas with findings published in the Mercer Report dated January 2012². The Mercer scope included the following:

- Overview of uninsured and underinsured
- Analysis of individual and small group (SG) markets and potential effect from various ACA provisions and options

¹ Public Act 11-53: <http://www.cga.ct.gov/2011/act/pa/2011PA-00053-R00SB-00921-PA.htm>

² Mercer Report: http://www.healthreform.ct.gov/ohri/lib/ohri/exchange/mercer_final_report_ct_hix1.20.12.pdf

- Estimates of newly insured and potential enrollment in the Exchange
- Exchange administrative cost estimates and revenues needed to be self-sustaining
- Assessment of Exchange technical requirements and ability to leverage existing systems
- Impact of the Exchange on existing public health coverage programs

The final report contains detailed analysis and findings which are described below.

Figure 2. Findings on Connecticut Uninsured Residents

Category	Population
Current Estimated Number of Uninsured Residents	377,000
Uninsured with income below 138% FPL	156,000
Uninsured with income between 138 – 200% FPL	65,400
Uninsured with income above 200% FPL	155,600

Findings on Migration of Insured Residents into Public Programs:

- More than 116,000 individuals might be able to move from employer-based coverage to Medicaid.
- Nearly 40,000 persons with individual coverage might be able to drop those policies and enroll in Medicaid expansion.
- Roughly 237,000 individuals are in the income range for a Basic Health Program. Of that total, approximately 65,400 are currently uninsured.

Findings on the Current Connecticut Individual and Small Group Markets:

- Four carriers cover the majority of the individual and small group market enrollees.
- An existing private sector small group “exchange” offered by the Connecticut Business and Industry Association (CBIA) will likely affect Small Business Health Option Programs (SHOP) Exchange enrollment.

Findings on the Impact of various ACA provisions/options:

- Eliminating high-risk pools and adding those enrollees (~1,900) to the individual market will have marginal (~2%) effect on individual market premiums.
- Expanding small group market to 100 employees may cause premium disruption for some mid-sized employers and may result in migration to self-funding.

Findings on Administration of the Exchange:

- The current CT IT and business processes are largely unsuited for Exchange functionality.
- HIX staffing estimates range from 30 to 44 FTEs.
- An estimated cost of \$34.2 million in 2014 to run the Exchange.

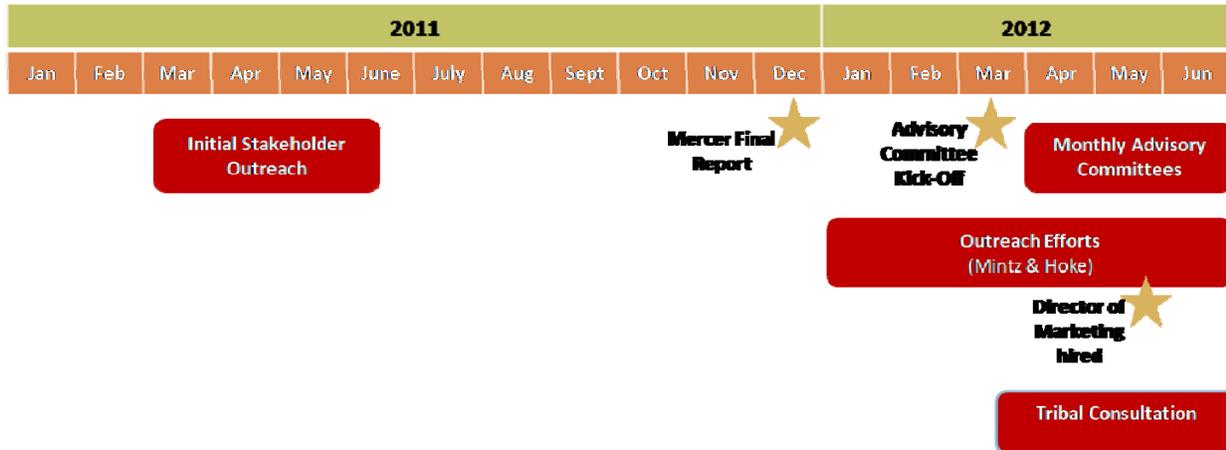
B. Stakeholder Consultation

Consultation with stakeholders has been a priority for Connecticut’s Exchange planning and development efforts since inception. An initial planning committee comprised of state agencies and industry

organizations was assembled in November 2010 to provide guidance, insight and review for the planning grant processes

As planning efforts continued, a comprehensive outreach strategy was developed with key components and activities outlined below.

Figure 3. Consumer and Stakeholder Engagement Achievements to Date



Initial Stakeholder Outreach Efforts

The focus of initial public outreach efforts, which took place from March through June 2011, was to build a foundation of understanding regarding Exchanges, as well as to collect insight from a wide range of individuals, community groups and industry organizations for use during Connecticut’s Exchange planning efforts. This comprehensive approach included meetings with over 80 organizations and six public forums held throughout the state.

Outreach Efforts (Mintz & Hoke)

To further outreach engagement efforts, the CTHIX procured Mintz & Hoke in January 2012 to analyze current marketplace data as well as conduct primary qualitative research. Based on the outcome of this effort, Mintz & Hoke is reaching out to a broad array of community-based healthcare providers, consumer advocates and community leaders to establish a sound foundation on which to build an outreach strategy.

In parallel, Mintz & Hoke is also conducting an analysis of consumers who may be less easily reached through community institutions and services (e.g. young, uninsured males) and has engaged the services of Bauza & Associates to assist with these efforts. Bauza & Associates specializes in transcending general market brands to the Hispanic and multicultural markets in a culturally-relevant manner and will help us develop our programs to accurately reflect the diverse needs of Connecticut’s citizenry.

Advisory Committees

In addition to the consumer market exploration work currently underway, we developed four Advisory Committees consisting of 15 CTHIX Board and stakeholder members to provide an effective avenue for addressing the specific issues and policy considerations regarding the development and operation of the Exchange. The committees were organized thematically and are as follows

- Consumer Experience & Outreach
- Health Plan Benefits & Qualifications
- Brokers, Agents & Navigators

- Small Business Health Options Program

The CTHIX staff supports the Advisory committees, which meet monthly, are professionally facilitated, recorded and transcribed, and open to the public. Recommendations from the Advisory Committees will be provided to the CTHIX Board for consideration and approval as appropriate.

Tribal Consultation

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 Pequot (800 members). The Exchange is in the process of developing a Tribal Consultation Plan.

Exchange staff has been designated to develop expertise in Tribal provisions of the ACA and to facilitate an open dialogue with Tribal representatives until the formal Consultation Plan is finalized. A tribal government representative is participating on the Exchange's Consumer Experience and Outreach Advisory Committee.

C. State Legislative/Regulatory Action

Connecticut's General Assembly enacted Public Act 11-53 in June 2011, which established the Connecticut Health Insurance Exchange and provided the legal authority necessary to establish and operate an Exchange in Connecticut that complies with all federal requirements.

The Act establishes the Exchange as a quasi-public entity governed by a 14-member Board of Directors (see Section E-1 D. Governance, 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 establishes an Office of Health Reform and Innovation (OHRI) within the Office of the Lieutenant Governor to oversee statewide implementation of federal health care reform.

D. Governance

Voting members consist of individuals appointed by either the Governor or legislative leadership with expertise in the area of:

- Individual health insurance coverage
- Small employer health insurance coverage
- Health care finance
- Health care benefits plan administration
- Health care delivery systems
- Health care economics
- Health care access issues faced by self-employed individuals
- Barriers to individual health care coverage

In addition, ex officio voting members include the Lieutenant Governor (who serves as the Board Chair), the Commissioner of the Department of Social Services (DSS), the Special Advisor to the Governor on Healthcare Reform, the Secretary of the Office of Policy and Management (OPM), and the Executive Director of the Office of the Healthcare Advocate. Ex officio non-voting members include the Commissioner of the Connecticut Insurance Department (CID) and the Secretary of the Department of Public Health (DPH).

An important note is that the Exchange's enabling legislation contains clear conflict of interest language in Section 2(b)(2) prohibiting Board members from involvement in the health insurance industry or health

care providers. Transparency of operation, decision making and public accountability are required of the Exchange.

Since first convening in September 2011, the Exchange Board has met monthly and has primarily focused on vendor procurement, planning grant research activities and hiring the Exchange leadership team. 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 has been in place since December 2011. The permanent CEO was selected in June 2012 and will begin work in July 2012.

E. Program Integration

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 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 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.

Integrated Eligibility

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.

The agencies are also collaborating on plan, design, and reuse of existing assets and procurement activities across agencies.

Connecticut is committed to an expedited procurement strategy to accelerate the implementation of the Exchange. This strategy may include leveraging existing vendor contracts or using companies on the state's list of preselected IT firms, among other potential approaches.

Proposed MOU with DSS

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.

MOU with CID

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.

Proposed MOU with DAS/BEST

The CTHIX is working in close collaboration with DAS/BEST to establish an integrated eligibility approach across state agencies. They are a strong partner with the Exchange for the purpose of implementing and managing eligibility and related technology systems that are intended to serve core functions of CTHIX and DSS Medicaid operations. Currently we are determining the feasibility of DAS/BEST hosting the CTHIX system with specific evaluation of:

- The cost of purchasing services from DAS/BEST
- The ability of DAS/BEST to support the CTHIX time line
- The hardware and environments required to support the anticipated CTHIX volumes and core functions
- Staffing requirements and corresponding budget impact for BEST to support the CTHIX system
- Whether existing service level agreements (SLAs) currently supported by BEST will satisfy CTHIX requirements.

Collaboration with OHRI

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. Partial funding for Connecticut's APCD is included in our proposed Level Two budget (see Budget Narrative).

F. Exchange IT Systems

Completed IT Gap Analysis

As mentioned previously, Connecticut engaged Mercer to assist in the Exchange's planning activities, including an assessment of the technical requirements and specifications for anticipated Exchange accounting and financial system functions. Mercer also assessed the state's existing Medicaid eligibility systems and identified the requirements for integration of these assets with the anticipated Exchange information technology infrastructure. Gaps were identified and potential interface issues were uncovered.

KPMG used the Mercer assessment as an input for the development of more detailed technical and functional business requirements for the CTHIX. Specifically, KPMG conducted a current state analysis that honed the Exchange's understanding of which Connecticut IT assets may be reusable and may be leveraged as part of the CTHIX solution. The details of this analysis are provided in *Section E-3. Summary of Exchange IT Gap Analysis*.

The results of this additional analysis were a key input to the Exchange's architecture planning and included options such as whether to extend the DSS's Modernization of Client Service Delivery (MCSD) initiative platform to include a new eligibility service for the Exchange.

Architecture Planning and Solution Reviews

Based on the results of the IT Gap Assessment, the CTHIX developed a high-level operating model and a high-level Business and Technology Architecture blueprint to guide further development of a HIX solution for Connecticut. These architectural models are based on the CMS guidelines/blueprints and have been extended to incorporate the specific needs of Connecticut. The models are inclusive of experience from other state HIX initiatives.

To understand the breadth of potential HIX solutions on the market, the CTHIX solicited responses to a Request for Information (RFI), issued in April 2012. Based on the responses to the RFI, the Exchange invited seven vendors to demonstrate their Exchange product offerings. The solutions available were predominantly commercially off the shelf (COTS) products or transfer/modify solutions. The CTHIX does not believe that employing a custom-build solution approach allows the state to meet the reuse goals of the Funding Opportunity Announcement (FOA) or to meet the tight deadlines associated with implementing an Exchange that fully complies with the requirements of the ACA. As such, CTHIX will focus on procuring a highly configurable solution that is based on a proven technology platform and reuses as many existing IT assets as possible.

Solution Reuse and Procurement

The CTHIX will procure specific individual COTS solutions and broad-range integrated technology solutions. As well, the CTHIX will reuse existing IT assets to address the various high-level functional groups within the CTHIX business architecture. These include:

- IT Management – Leverage a combination of existing Connecticut IT Management guidelines and CMS guidance
- Financial Management and Reporting – Use a specialized COTS solution
- Asset Management – Leverage internal manual processes within CTHIX
- Human Resource Management – Leverage internal manual processes within CTHIX
- Procurement Management – Use a specialized COTS solution
- Premium and Tax Credit Processing – Outsource to solution vendor or require issuers to process
- Plan Certification and Risk Management – Reuse processes and solution from Connecticut Insurance Department (CID) through the National Association of Insurance Commissioners' (NAIC) System for Electronic Rate and Form Filing (SERFF); leverage existing state-based entity for administration of transitional reinsurance program; and initially defer administration of the risk adjustment program to the federal government while Connecticut's APCD is being established
- Eligibility, Enrollment, Comparison Shopping, Account Management, Customer Service – Procure an integrated technology solution for eligibility; and outsource solution for other functionality
- Marketing and Outreach – Outsource solution
- SHOP Exchange – Outsource solution

Core Functional Requirements

The CTHIX has engaged KPMG to define functional and technical requirements for the procurement of a CTHIX technology solution. The functional and technical requirements definition covers the functional areas defined by CMS guidelines where an integrated technology solution is to be procured. The solution that is

procured is expected to support the functionality and transaction volume of the CTHIX user base and will be operational no later than October 1, 2013.

The requirements developed for the CTHIX technology solution are documented in a Requirements Traceability Matrix and in Functional Process Flow Diagrams, which demonstrate the process flows of all major functional areas to be included in the integrated CTHIX solution. The requirements definition and procurement strategy is scheduled to be completed by June 29, 2012.

Reuse of Platforms

The CTHIX plans to reuse infrastructure and technology platforms and processes where feasible. Specifically, the State's reuse strategy is based around three key areas including:

1. Market – Leverage foundational and COTS software packages and potentially transferable solutions based on a COTS platform.
2. Connecticut Technology Resources – Leverage existing systems, standards, and capabilities, standards, and platforms from DSS, OSC, CID, and BEST. Refer to Section E-3. Summary of Exchange IT Gap Analysis for more details on specific systems and functions.
3. Other States – Explore potential reuse of similar IT systems such as components from early innovator states.

G. Financial Management

Currently, CTHIX is transitioning the financial management function from OPM to the CTHIX. During the Planning Grant funding period and through the first eight months of Level One Establishment funding, CTHIX leveraged OPM's infrastructure and processes to manage these grant funds. This relationship, which required state reporting, auditing, and documentation, allowed CTHIX to periodically draw down funds based on cash flow projections and expense reports.

Through federal and state approval of an MOU between the CTHIX and OPM, a mechanism is in place to allow for sub-granting of Level One Establishment funds to the Exchange. The MOU requires stringent financial management processes that comply with state requirements.

The development of internal financial management processes is crucially important to fulfill the requirements of the MOU with OPM. CTHIX expects to assume management responsibility for all future grant awards and is currently working toward achieving that objective by the establishment of internal policies and procedures, and financial management processes. Extensive effort has gone into the development of the Financial Management Plan (FMP) as it provides the necessary framework for the ongoing development and evolution of internal financial processes. Additionally, the FMP outlines the reporting and auditing requirements for CTHIX as well as lays the foundation for independent grant management.

Another component of the FMP is it identifies the system of internal controls, which are crucial to grant management and allows for cross-walking between federal, state and internal budgets and expenses. The FMP provides a schedule for reconciliation of CTHIX financial records and summarizes the sub-granting relationship between OPM and CTHIX (listing the reporting requirements as well as the draw-down schedule).

The Financial Management Plan and the Memorandum of Understanding between OPM and CTHIX are included in the Appendix.

H. Program Integrity

During the Level One Establishment phase, Connecticut identified the management, oversight, and institution of proper safeguards for preventing fraud, waste, and abuse as key elements of the operational plan for the Exchange. The Exchange has instituted policies to ensure the proper use of state and federal funds.

CTHIX is operating under an MOU with OPM and has leveraged OPM's procedures to ensure program integrity in the management of the planning grant and the Level One funds. As a condition of the MOU, the CTHIX provides regular progress reports to OPM in order to ensure compliance.

CTHIX staff has put in place internal controls that govern financial operations. An Accounting and Financial Policies and Procedures Manual has been established for CTHIX to guide the financial management practices of the Exchange. The CTHIX Accounting Department will initially maintain records and complete reports as required by state and federal authorities. CTHIX will adhere to standards established by the Governmental Accounting Standards Board (GASB).

The Accounting Department maintains accounts, documents and information in ways that provide a current status of funds and the levels of services utilized. These records also include the disposition of all monies received from funding sources and the nature and amount of all charges. The Exchange's Accounting/Finance Department will maintain records and complete reports tracking health insurance premiums, advance premium tax credits, and cost sharing reduction separately for individuals and small businesses.

Finally, CTHIX has established internal compliance and financial audit policies. The internal compliance audit policy requires an annual review of CTHIX practices regarding affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of funds.

I. Health Insurance Market Reforms

As mentioned previously, in June 2011, two pieces of legislation were enacted that address health insurance market reforms and assures Connecticut's compliance with the requirements of the ACA.

Public Act 11-58: An Act Establishing the Connecticut Healthcare Partnership changes various health insurance statutes to conform to the ACA. The Act also revises the health insurance utilization review, grievance, and external appeal statutes to comply with the ACA. A second law creating the Connecticut Health Insurance Exchange (Public Act 11-53) addresses the market reforms necessary for the operation of the Exchange.

J. Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints

Providing a seamless consumer experience to users of the CTHIX is critical. As a result, the CTHIX is focused on providing meaningful customer support and assistance. The Exchange has taken proactive steps to coordinate with existing organizations in the state to determine that services are available and sufficient to meet residents' needs.

Specifically, the Exchange assessed:

- Existing support for individuals to determine eligibility for private and public coverage and enroll in such coverage.
- Existing grievance and appeals processes.

- Access to information about consumer protections.
- Information about inquiries and problems and how they are resolved.

Additionally, the Exchange has analyzed data collected by existing consumer assistance programs and developed a preliminary approach to use this information to strengthen QHP accountability and functioning of the Exchange. The Exchange's efforts in these key areas are highlighted below.

The Exchange established the Consumer Experience and Outreach Advisory Committee, which meets monthly and is charged with providing guidance and feedback on key consumer assistance activities. This committee actively solicits feedback from numerous stakeholder groups on the best ways to facilitate a seamless consumer experience within the Exchange, including the needs for assistance from knowledgeable support staff and consumer advocates.

CTHIX engaged KPMG to develop a Consumer Experience Current State Blueprint to gauge the capability of existing Connecticut customer support channels (help desks, complaints, appeals processes, etc.) to support the anticipated needs of the Exchange. Work on this initiative is complete, including a review of the CID process for data collection, current grievances and appeals processes, other state agencies and leading practices in other states. As appropriate, the Exchange anticipates leveraging proven customer service tactics employed in other Connecticut agencies and other states.

The Exchange has included several core positions in its organization to support providing individuals and small businesses with assistance in managing appeals, complaints, etc. These specifically include the proposed Grievances and Appeals Manager position (under the Exchange Legal Counsel) and the outreach positions under the Director of Consumer Marketing.

K. Business Operations/Exchange Functions

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. The following subsection briefly describes progress in planning for the implementation of each key functional area. Further detail is provided in the CTHIX Work Plan which is available on CALT³.

Certification, Recertification, and Decertification of Qualified Health Plans

The Exchange conducted an assessment of current plan management and certification processes as part of a larger information gathering exercise to identify CTHIX 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. Processes that will be implemented manually include, but are not limited to:

- Developing and publishing QHP solicitations
- Conducting proposal evaluations and QHP certification
- Notifying issuers on QHP certification, recertification, and decertification.

Automated processes that will be procured as part of systems integrator solicitation include:

- 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

³ CTHIX Work Plan: Reference CALT doc7465: CTHIX Work Plan 051012.pdf

- 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.

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.

Call Center and Consumer Assistance

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).

As a next step, the Exchange has developed business and technical requirements for a CTHIX call center. These requirements will become part of the Exchange's solicitation to procure customer service center capabilities (e.g., a single toll free number and Interactive Voice Response (IVR) capability, etc.). As part of the Exchange's commitment to reuse, Connecticut intends to assess and leverage existing state resources and best practices, wherever practicable, to ensure suitable programs and systems are in place to provide superior customer assistance for Exchange participants.

Exchange Portal/Web site

The Exchange will contract with a systems integrator to develop and refine the language and visual design for the portal consistent with the principles and design guidelines promoted as part of the Enroll UX-2014 initiative. The Exchange will ensure that the portal design meets standards for user accessibility, follows best practices for usability, and connects to the back-end Exchange functions.

As part of the requirements definition effort, the Exchange developed requirements for public and professional user portals. The Exchange public portal will serve as an access channel for citizens, brokers, QHP Issuers, and other external users. This Web channel is arguably the most important channel for consumer interaction, allowing the CTHIX to operate with fewer staff and increased customer self-service and satisfaction. The Exchange professional user portal will provide back-office functions for consumer assistance and will be used by internal users of the CTHIX (e.g., plan specialists, customer service representatives, supervisors, administrators, managers) and possibly other professional users in the broader HIX ecosystem (DSS eligibility workers, business process outsourcing (BPO) organizations).

Premium Tax Credit and Cost-Sharing Reduction Calculator

The premium tax credit and cost-sharing reduction calculator functionality will be included in the system integrator scope of work.

Quality Rating System

Using funds from the Level Two Establishment grant, the Exchange will collaborate with the CID to understand the types of data consumers may need to make informed health plan decisions, the health plan data currently available in Connecticut, and how the Exchange can make the information useful for consumers. The CID will assist the Exchange with providing a QHP quality rating system.

Navigator Program

The Exchange understands the importance of employing numerous customer outreach and assistance channels and will implement a comprehensive Navigator program in Connecticut. Early steps taken include

policy discussions with the Brokers, Agents and Navigators Advisory Committee to define, develop and implement an Exchange Navigator strategy.

Eligibility

As noted earlier, Connecticut's planned integrated eligibility initiative will provide the core functional and technical requirements for eligibility determination for Exchange participation (e.g., advance payment of premium tax credits and cost-sharing reductions), Medicaid and CHIP. The integrated eligibility platform (i.e., shared eligibility service), once designed, developed and implemented, will provide a seamless eligibility and enrollment process for the Exchange, Medicaid and CHIP, and ultimately will be used to determine eligibility for other social service programs (e.g., SNAP, TANF). Specifically, the planned integrated eligibility function will address federal requirements for determinations for Exchange participation and Medicaid, individual responsibility exemption determinations, seamless eligibility and enrollment process with Medicaid and other state health subsidy programs, and application notices.

The CTHIX solution created by the systems integrator will provide the capability to prescreen individual eligibility of an applicant for a plan, program or service and enable enrollment, renewals and terminations in individual health insurance plans. Enrollment for Exchange-eligible applicants will occur in the Exchange with the appropriate information being transferred to the appropriate QHP issuer. Enrollment for non-Exchange-eligible applicants (i.e., Medicaid/CHIP) will be completed by the Department of Social Services.

Additionally, the Exchange expects the solution to create and maintain user accounts that would include the application, application status updates, supporting documentation, data verifications, eligibility determinations, enrollments, notices, user credentials, and history of changes and notifications. The Exchange requirements and business process models for eligibility determination will be foundational for the systems integrator's scope of work. The Exchange will continue 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.

Individual responsibility exemption requests are expected to be submitted online via the Exchange. Appeals are expected to be handled by either DSS or the Exchange staff as per terms of the MOU between the Exchange and DSS.

Administration of Premium Tax Credits and Cost-Sharing Reductions

The Exchange anticipates that the advance premium tax credit processing for the individual Exchange will be carried out by the QHP issuers, while the Exchange, pursuant to HHS requirements, will manage premium processing in the SHOP Exchange. The CTHIX solution will perform the eligibility screening and perform the calculation of the advance premium tax credit (APTC) and eligibility for cost-sharing reduction (CSR). This information will be passed to the issuer when the applicant selects a plan. The issuer will then work with the Internal Revenue Service (IRS) to collect the subsidy amounts and apply it to the applicant's premium due, as well as any payment associated with the CSR for which the applicant may be eligible.

Adjudication of Appeals of Eligibility Determinations/Notification and Appeals of Employer Liability

An initial set of requirements and business process models for appeals management have been developed for the Exchange. Depending on the nature of appeals, adjudication will be handled by DSS or the Exchange as per terms of the governing MOU. The Exchange has included several staff positions in its organization to manage employer liability appeals and complaints, including the Grievances Appeals Manager position (under the Exchange Legal Counsel) and the various outreach positions under the Director of Consumer Marketing.

Information Reporting to IRS and Enrollees

CTHIX has identified high-level reporting requirements and necessary reporting interfaces that need to be developed by the systems integrator to support reporting to IRS and CTHIX enrollees. Additionally, a more detailed list of mandatory and optional reports will be developed and a report schedule will be created to satisfy, at a minimum, all federal and state reporting requirements. The Exchange will develop or acquire the necessary databases to support reporting and will identify all interfaces.

Outreach and Education

As outlined previously in this document, the CTHIX is committed to the development of a comprehensive outreach and education campaign that serves to inform citizens about the benefits of the Exchange and the ACA. We understand that this is the critical foundation on which the Exchange is built. Furthermore, the Exchange outreach and education activities will increase significantly during the Level Two phase as the focus shifts from stakeholder outreach to direct consumer outreach, education and support activities.

Risk Adjustment and Transitional Reinsurance

While the Exchange has not made a final decision regarding the risk adjustment and transitional reinsurance programs, we are proposing to 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).

SHOP Exchange-Specific Functions

The Exchange has 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.

The Exchange has 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 is currently exploring a business process outsourcing model for the SHOP Exchange and is considering a “stand-alone” procurement for the SHOP Exchange to be finalized by early-fall 2012. One option to be considered is collaboration with other states in a joint or cooperative procurement. This multi-state option could be 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.

E-2. Proposal to Meet Program Requirements

Connecticut has made significant progress in the past 20 months planning for implementation of the CTHIX. Based on the progress documented above, the state is on track to obtain approval of its Exchange by January 2013, and have in place a fully-functioning Exchange by October 1, 2013.

As described in section E-1, Connecticut has completed planning-related tasks in the core areas and made steady progress in the Level One Establishment related projects. To accomplish the activities necessary for ensuring that Connecticut’s Exchange can be certified by January 2013, begin operations in October 2013, and be self-sustainable by 2015, the following activities are proposed under each Core Area.

A. Background Research and Findings

Connecticut has completed much of the background research necessary to support an effective Exchange implementation. CTHIX staff and the Exchange Board will continue to test market assumptions and refine adoption estimates during the Level Two Establishment period. CTHIX will build upon and update the background research, as necessary, to stay abreast of an ever-changing market. In particular, CTHIX – in cooperation with CID – will undertake an assessment of current health plans purchased in the individual and small group markets to evaluate the potential impact of the essential health benefits requirements, the minimum actuarial value standards of the ACA, and other ACA requirements that will take effect in 2014.

B. Stakeholder Consultation

Ongoing consultation with stakeholders is a key component of successful CTHIX operations. The Exchange is compliant with its enabling legislation (Public Act 11-53) and routinely interacts with stakeholders as part of the design and development of the Exchange.

Beyond these initial stakeholder outreach efforts, the Exchange plans to execute a multi-faceted outreach campaign leading up to the initial open enrollment period, and in subsequent years as the CTHIX evolves and becomes embedded in the health insurance landscape of Connecticut. The campaign is comprised of the following components:

Ongoing Outreach Efforts

The Exchange Marketing and Outreach Team will work with Mintz & Hoke, the Exchange's marketing and outreach advisors, to analyze the current marketplace and to conduct qualitative research. The team will also execute the six major steps in the cycle of developing and executing a complete marketing and communications campaign, which include:

- Research
- Creative Development
- Concept Testing
- Campaign Launch
- Performance Measurement
- Results Analysis

Advisory Committees – The Exchange will continue supporting four Advisory Committees organized around the following areas:

- Consumer Experience & Outreach
- Health Plan Benefits & Qualifications
- Brokers, Agents & Navigators
- Small Business Health Options Program

The CTHIX will continue to rely on the Advisory Committees to provide valuable input in the development of CTHIX operations during the implementation and roll-out phases. The Advisory Committees are currently focused on those policy decisions that will directly affect Connecticut's ability to achieve federal approval of a state-based Exchange by the end of calendar year 2012. Subsequent to this major milestone, the Advisory Committees will provide ongoing policy advice and input in the establishment and operations of the Exchange, as appropriate.

Tribal Consultation - The Exchange will continue its inclusive efforts with regard to the two federally-recognized Tribes in Connecticut. As described further in section E-1, the CTHIX Tribal Consultation Policy is under internal review and will be finalized in the coming months.

C. State Legislative/Regulatory Action

Connecticut's General Assembly enacted Public Act 11-53 in June 2011 establishing the Connecticut Health Insurance Exchange, which provides the legal authority necessary to establish and operate an Exchange in Connecticut that complies with federal requirements. Additionally, there is a blanket provision in Public Act 11-58 that authorizes the state to take necessary steps to comply with ACA requirements.

As such, the Exchange does not foresee the need for additional legislation in order to accomplish its objective to implement a Health Benefit Exchange in Connecticut and to comply with all other requirements of the ACA. However, if legislation is needed, the Connecticut Legislature and the Malloy Administration have demonstrated their support of the ACA.

D. Governance

As discussed above in section E-1 C. State Legislative/Regulatory Action, Connecticut established a quasi-public entity to administer the Exchange and a Board of Directors to govern the CTHIX.

The Exchange Board of Directors does not include any representatives of the insurance industry or health care providers to avoid potential conflicts of interest.

Since convening in September 2011, the Exchange Board has met at least monthly and has been involved in numerous Exchange policy and staffing decisions. The Exchange Board will continue to meet regularly to make many policy decisions over the next several months. Regular Board meetings will continue once the CTHIX is operational. All agenda items and notes for Board meetings can be found on the CTHIX Web site, as well as the schedule for Board meetings through December 2012. Refer to Section I – Key Personnel and Organization for more detail on Governance and the current staff.

E. Program Integration

As described in section E-1 F, the Exchange has engaged in extensive planning and coordination activities with other Connecticut state agencies. This interaction served as a mechanism for the Exchange to pursue close collaboration with DSS to identify areas of technology asset reuse and to streamline social services program eligibility determination and enrollment processes. Exchange staff will continue to work collaboratively with the DSS/Medicaid team to analyze shared business functions and to discuss how the programs can work together to provide a seamless health coverage experience for Connecticut residents.

As noted earlier, the CTHIX has negotiated and executed an MOU with CID and is in the process of finalizing an MOU with DSS. These agreements spell out the specific roles and responsibilities each agency will undertake to support the successful implementation of the Exchange in Connecticut. The Exchange also expects to establish an MOU with DAS/BEST regarding the technology hosting and operational support roles that BEST may play to support the Exchange solution. Finally, the CTHIX will continue its collaboration with OHRI on the development of an APCD to support the Exchange.

Integrated Eligibility

Connecticut is fully committed to implementing a technology solution for use by both the CTHIX and DSS to support the Modified Adjusted Gross Income (MAGI) eligibility requirements by the October 2013 federal deadline. This shared technology solution for CTHIX, Medicaid, and CHIP eligibility determination is

anticipated to become the core of an integrated eligibility platform that serves all HHS agencies and their associated social service programs. Moreover, DSS is leveraging this unique opportunity to replace its antiquated Eligibility Management System (EMS). The state plans a phased implementation for other HHS programs to leverage this capability following the initial CTHIX and DSS/Medicaid roll-outs. Connecticut's integrated eligibility approach is formally supported by the Lt. Governor's office and a multi-agency steering committee comprised of DSS, CTHIX, OPM and DAS/BEST. This structure, recently formalized through the creation of an IEPMO, will facilitate the overarching integration across the state's social service programs; provide a dedicated team tasked with implementing and coordinating the IT build across the agencies; and ensure the complex and varied business operations are fully integrated.

F. Exchange IT Systems

The CTHIX team continues to move thoughtfully, yet quickly ahead to develop IT capabilities for the Exchange and to facilitate an expedited procurement of the necessary hardware, software, and professional services required for implementation. Following the Exchange requirements definition exercise described in section E-1, the CTHIX developed a high-level operating model and a high-level business and technical architecture blueprint to guide the further development of a HIX solution for Connecticut. These architectural models are based on the CMS guidelines/blueprints and have been extended to incorporate the specific needs of Connecticut.

The requirements developed for the CTHIX were documented in a Requirements Traceability Matrix (RTM) and Functional Process Flow Diagrams to demonstrate the process flows of all major functional areas to be included in the integrated CTHIX solution. This work will be included in any procurement/solicitation documents or statements of work.

Solution Reuse and Procurement

Going forward, the CTHIX will focus on procuring a highly configurable solution that is based on a proven technology platform that reuses as many existing Connecticut (and other jurisdiction) IT assets as reasonably possible. Specifically, the CTHIX has decided to use a combination of procurements for specific individual COTS solutions and integrated technology solutions, use of existing contracted vendors, and reuse of existing state IT assets to address the various high level functional groups within the CTHIX business architecture, as described above in section E-1.

Envisioned System

Once designed, developed, and implemented, Connecticut's planned single, integrated eligibility platform will provide a seamless eligibility and enrollment experience for consumers seeking access to the Exchange, Medicaid, CHIP, and multiple other state social service programs (e.g., SNAP, TANF, energy assistance, etc.). It will be operationally efficient, and will serve as a single front door to all HHS and related programs.

To meet critical federal HIX and MAGI deadlines, Connecticut's integrated eligibility initiative will be phased, and will initially provide the core functional and technical requirements for eligibility determination for Exchange participation, Medicaid and CHIP. To meet the January 2014 deadline, the Exchange will refer the MAGI Medicaid and CHIP eligible applicants to DSS for enrollment and ongoing case management. DSS will implement a tactical, interim case management solution to house the Exchange referrals.

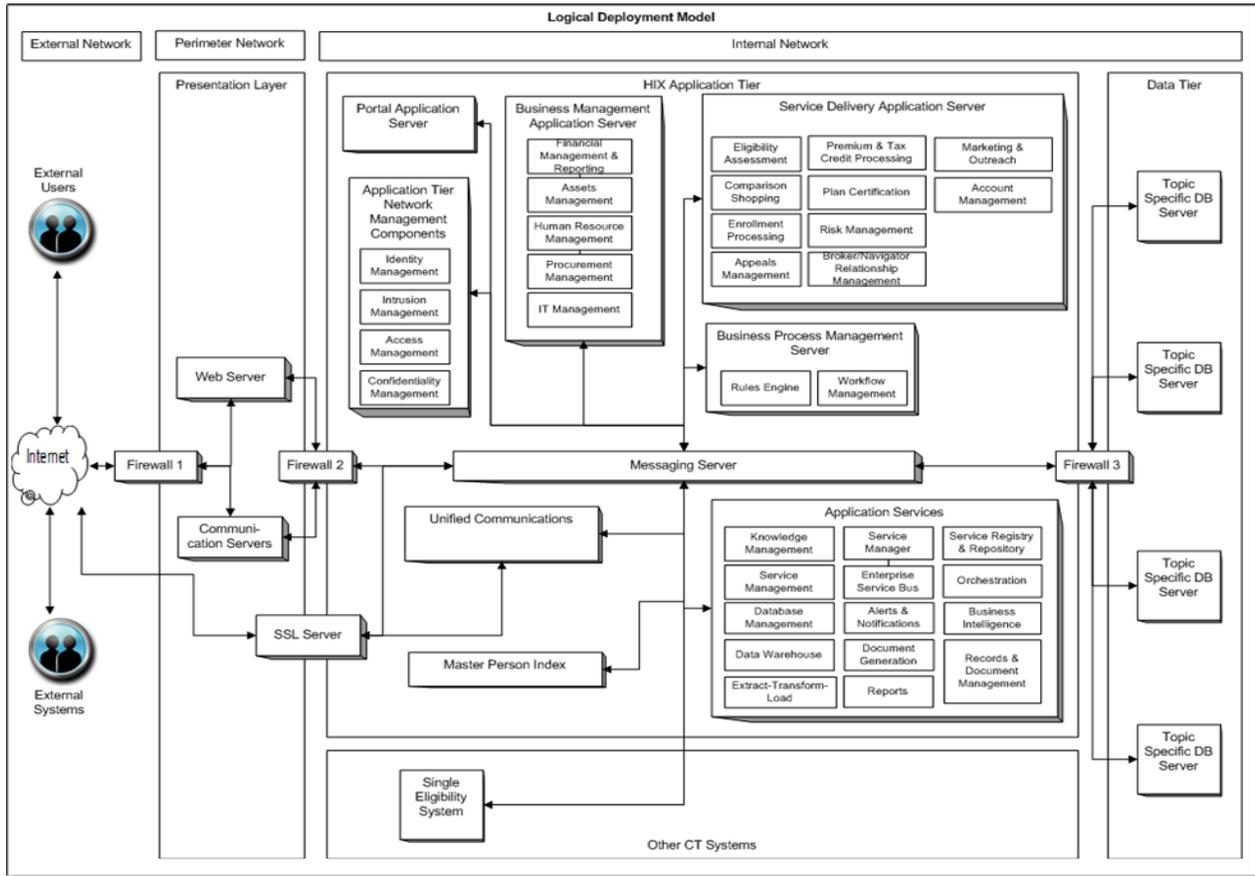
The CTHIX solution will provide the capability to pre-screen an applicant for eligibility for a plan, program or service, and enable enrollment, renewals and terminations in individual health insurance plans. Enrollment for Exchange applicants, both eligible and non-eligible, will occur in the Exchange system. Relevant information will be transferred to the appropriate QHP issuer. Additionally, the Exchange solution will create and maintain user accounts that will include each individual's application, application status updates,

supporting documentation, data verifications, eligibility determinations, enrollments, notices, user credentials, and history of changes and notifications.

The Exchange has developed a set of requirements and business process models for eligibility determination that will be foundational for the systems integrator. The CTHIX will continue to monitor guidance from the Department of Health and Human Services (HHS) for incorporation into the IT systems design and development.

Figure 4, below, shows the system’s envisioned logical deployment. The logical deployment model illustrates the logical tiers, logical zones, logical server placement, and the interconnection of layers and services.

Figure 4. Connecticut HIX Logical Deployment Model



Program Management Office

In order for the Exchange to have successful operations, it is necessary to identify a flexible staffing solution that provides the manpower required to oversee the implementation of the extensive procurements, projects and contracts required to build the Exchange technology solution. A Program Management Office (PMO) was established to jumpstart these critical activities. The PMO will facilitate the very aggressive build schedule established by the FOA’s delivery milestone guidelines. Because the PMO will be largely staffed using contractors, the CTHIX will be able to respond to the peaks and valleys in personnel required during Exchange implementation. See Section I - Descriptions for Key Personnel and Organizational Chart for additional information.

G. Financial Management

The development of internal financial management processes (FMP) is crucially important to fulfill the requirements of the Exchange's MOU with OPM. CTHIX is currently working to develop internal policies and procedures documents that define the CTHIX financial management processes.

The Exchange's FMP provides a framework for the ongoing development and evolution of internal financial processes. It outlines the reporting and auditing requirements for CTHIX mentioned in Section E-1. Additionally, it lays the foundation for independent grant management by CTHIX.

The FMP describes the system of internal controls which are crucial to grant management and allows for cross-walking between the federal, state, and internal budgets/expenses. The FMP also provides a schedule for reconciliation of CTHIX financial records and summarizes the sub-granting relationship between OPM and CTHIX (listing the reporting requirements as well as the draw-down schedule).

To manage this effort effectively, the Exchange has identified the hiring of finance personnel as an immediate need. The Exchange will hire a Chief Financial Officer (CFO) to oversee Exchange fiscal and budgetary components as well as an Account Manager and Budget Manager to assist the CFO in financial planning, analysis and budget reporting functions, as well as procurements. These roles will supplement accounting staff already employed by the CTHIX. The Exchange finance staff will work in conjunction with consultants to establish an overall financial management system.

From a systems perspective, asset management, human resources (HR), and procurement management tools are in the process of being implemented.

H. Program Integrity

The Exchange has instituted policies to ensure the proper use of state and federal funds. As mentioned in the previous section, CTHIX is operating under an MOU with the Connecticut Office of Policy Management (OPM) and has leveraged OPM's procedures to ensure program integrity in the management of the planning grant and the Level One grant. Additionally, CTHIX staff has put in place internal controls that govern financial operations, described above in section E-1. Exchange staff in the areas of auditing services and compliance will support these critical efforts going forward.

I. Health Insurance Market Reforms

As described in section E-1, in June 2011, two pieces of legislation were passed that address insurance market reforms and assures Connecticut's compliance with the provisions described under Subtitles A and C of the ACA. Together, these statutes implement ACA health insurance market reforms. The Exchange will continue its active collaboration with CID to ensure all required market reforms are fully implemented.

J. Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints

Providing a seamless consumer experience to users of the CTHIX is critical, and the CTHIX is focused on providing comprehensive customer support and assistance. CTHIX plans to leverage current capabilities within the various agencies (e.g. DSS and CID) to ensure that appropriate programs and systems are in place to provide superior, coordinated customer assistance for Exchange participants.

To support this goal, the Exchange is developing a comprehensive approach for providing assistance to individuals and businesses primarily through its documented outreach strategy as supplemented by the Navigator Program and call center. Moreover, the Exchange has included several core positions in its

organization focused on providing individuals and small businesses assistance with managing appeals and complaints. These include the Grievances Appeals Manager position (under the Exchange Legal Counsel) and the various outreach positions under the Director of Consumer Marketing. During the Level Two Establishment phase, the Exchange will begin to implement these features.

The Exchange will also track complaints and monitor trends through reporting and data extract functions. Furthermore, a process will be established for coordinating customer service between DSS and the Exchange in order to leverage the robust network of consumer education and advocacy programs that have deep and long-standing experience assisting consumers. Specifically, the Exchange plans to refer consumers, when appropriate, to DSS and/or its affiliates for assistance navigating Medicaid and CHIP.

As noted in Section E4, operations and customer service metrics will be used to measure the operational efficiency and efficacy of the Exchange once it is up and running. Key operational metrics have been identified and include, but are not limited to: enrollment metrics (by month, carrier, geography, plan tier, demographic, etc.); premium costs (trends over time, comparisons to costs outside the Exchange, actual versus projections, etc.); as well as metrics around number of applications, cancellations, appeals, etc. Key customer service metrics may include the following (applicable to both the Web site and the call center): volume; number of complaints, resolutions, first call resolutions, escalations; resolution and abandonment rates; wait time; length of call; and customer satisfaction metrics (measured via a customer satisfaction survey). The metrics identified will provide measurable information that will help support and drive business and policy decisions that can optimize and improve the Exchange's functions.

K. Business Operations/Exchange Functions

The following subsection briefly summarizes the Exchange's plans in each key functional area.

Certification, Recertification, and Decertification of Qualified Health Plans

The Exchange conducted an assessment of current plan management and certification processes as part of performing a larger information gathering exercise to identify CTHIX business and technical requirements and develop detailed business process models. Leveraging the existing CID process, the Exchange anticipates implementing many of the Plan Management and certification functions manually, which limits the need for procuring an automated system. The Exchange will continue to work with CID in the months ahead to implement the coordination necessary to support this function. The CTHIX is also actively monitoring upgrades to NAIC's SERFF system, which we hope to leverage to support many of the plan management functions.

Call Center and Consumer Assistance

Using the recently completed assessment of the current state of Connecticut consumer assistance programs, the Exchange developed business and technical requirements for a CTHIX call center. These requirements will become part of the Exchange's solicitation to procure customer service center capabilities (e.g., a single toll free number and Interactive Voice Response (IVR) capability, etc.). As part of the Exchange's commitment to reuse, Connecticut intends to assess and leverage existing state resources and best practices, wherever practicable, to ensure suitable programs and systems are in place to provide superior customer assistance for Exchange participants.

Exchange Portal/Web site

As discussed above in the Exchange IT Systems section, the Exchange will contract with a systems integrator to develop and refine the language and visual design for the Web portal consistent with the principles and design guidelines promoted as part of the Enroll UX-2014 initiative. The Exchange will ensure that the

portal design meets standards for user accessibility, follows best practices for usability, and connects to the back-end Exchange functions. The Exchange portal is envisioned to serve as an access channel for citizens, brokers, QHP Issuers, and other external users.

Premium Tax Credit and Cost-Sharing Reduction Calculator

The premium tax credit and cost-sharing reduction calculator functionality will be included in the system integrator scope of work.

Quality Rating System

Using funds from the Level Two Establishment grant, the Exchange will partner with the CID to understand the types of data consumers may find most useful to make informed health plan decisions, the health plan data that are currently available in Connecticut, and how the Exchange can make the information accessible and actionable for consumers. CID will assist the Exchange in developing a QHP quality rating system.

In addition to measuring the successful implementation and operation of the Exchange, metrics have been identified to evaluate the impact of the Exchange on health coverage, affordability, access and quality. To the greatest extent practicable, the state will utilize existing sources of data including MEPS, CPS, ACS, and additional public databases to evaluate the population and overall impact of health reform. Key indicators may include employer metrics (e.g. offer and coverage rates, level of sponsorship, premium and cost sharing amounts), insurance coverage distribution and percent uninsured.

Navigator Program

As mentioned previously, the Exchange understands the critical importance of employing numerous customer outreach and assistance channels and will implement a comprehensive Navigator program in Connecticut. The CTHIX will continue to leverage the Brokers, Agents and Navigators Advisory Committee to define an Exchange Navigator strategy. Once that strategy is fully defined, CTHIX staff will implement it as part of the Exchange's robust program for providing consumer assistance.

Eligibility

Connecticut's planned integrated eligibility initiative will initially provide the core functional and technical requirements for eligibility determination for Exchange participation, Medicaid, and CHIP. Ultimately, it will serve as a single front door to all HHS programs, and provide a single eligibility determination for all programs. Implementing this solution will be at the core of the systems integrator's scope of work. The solution will provide the capability to pre-screen an applicant for eligibility for a plan, program or service, and enable enrollment, renewals and terminations in individual health insurance plans. Exchange enrollments will occur in the Exchange system, and relevant information will be transferred to the appropriate QHP issuer. Enrollment for non-Exchange applicants (Medicaid and CHIP) will be completed by DSS. Specifically, the planned integrated eligibility function will address federal requirements for determinations for Exchange participation and Medicaid, individual responsibility exemption determinations, seamless eligibility and enrollment process with Medicaid and other state health subsidy programs, and application notices.

Administration of Premium Tax Credits and Cost-Sharing Reductions

CTHIX anticipates that the premium tax credit processing for the individual Exchange will be carried out by QHP issuers, while the Exchange will manage premium processing in the SHOP Exchange. The CTHIX solution, to be implemented by the selected systems integrator, will perform eligibility screening and the eventual calculation of the APTC or CSR subsidy amounts. The subsidy amounts will then be passed to the issuer when the applicant selects a plan. The issuer will then be responsible for billing the member for

his/her share of the premium, and establish an interface with the IRS to collect the subsidy amount and apply that amount to the enrollee's premium.

Adjudication of Appeals of Eligibility Determinations/Notification and Appeals of Employer Liability

An initial set of requirements and business process models for appeals management have been developed for the Exchange. Depending on the nature of the appeal, adjudication will be handled by DSS or the Exchange, per the terms of the MOU mentioned previously. The Exchange has included several core positions in its organization to manage employer liability appeals and complaints. These include the Grievances Appeals Manager position (under the Exchange General Counsel) and the various outreach positions under the Director of Marketing and Communications. CTHIX and DSS staff will collaborate to ensure a coordinated and efficient operational process for adjudicating appeals.

Information Reporting to IRS and Enrollees

CTHIX has identified high-level reporting requirements and necessary reporting interfaces that need to be developed by the systems integrator to support information reporting to the IRS and to CTHIX enrollees. Additionally, a more detailed list of mandatory and optional reports will be developed and a report schedule will be created. The Exchange will develop all necessary interfaces and will acquire the necessary databases to support reporting.

Outreach and Education

CTHIX is committed to informing the citizens of Connecticut about the benefits of the Exchange. As such, the Exchange has actively involved numerous stakeholders in its initial outreach and education activities during the Level One Exchange Establishment period. Outreach and education activities will increase during the Level Two Establishment phase as the focus shifts from stakeholder outreach to direct consumer education and support activities. The Stakeholder Consultation section above highlights the Exchange's anticipated approach.

Risk Adjustment and Transitional Reinsurance

While the Exchange has not made a final decision regarding the risk adjustment and transitional reinsurance programs, CTHIX expects to defer to the federal risk adjustment program, at least initially, and expects that the state will revisit this issue in the future, possibly utilizing the APCD as a resource to support the risk adjustment program.

With regard to transitional reinsurance, the Exchange intends to leverage an existing state-based entity to administer this program.

SHOP Exchange-Specific Functions

The Exchange has completed the market assessment of a SHOP Exchange. The Exchange has 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 plans to outsource the SHOP Exchange and is considering a "stand-alone" procurement for SHOP Exchange to be finalized by early-fall 2012.

E-3. Summary of Exchange IT Gap Analysis

In 2011, the State of Connecticut engaged Mercer to conduct an initial, high-level IT Gap Analysis as a part of the CTHIX initial planning initiative. The resultant Mercer Report can be found at the CTHIX Web site⁴. The state reviewed its existing health and human services IT landscape to identify available systems, processes and components that could be leveraged or reused to support the CTHIX. The state further engaged KPMG LLP to provide technical advisory services for documenting the business processes and gathering requirements needed to define the desired business and technical functionality of a state-based Exchange. The additional analysis by KPMG, completed in 2012, supplemented the initial IT Gap Analysis. Figure 5 identifies the main Connecticut IT systems, standards and capabilities that were assessed.

Figure 5. Connecticut Systems, Standards and Capabilities Assessed

Current Systems Reviewed	Department of Social Services	Office of State Comptroller	Connecticut Insurance Department	Bureau of Enterprise Systems
Eligibility Management System (EMS)	✓			
Modernization of Client Service Delivery (MCSD)/ConneCT	✓			
CORE-CT – Connecticut state government’s integrated financial, human resources, and payroll system		✓		
Connecticut Regulatory Information System (CRIS)			✓	
System for Electronic Rate and Form Filing (SERFF)			✓	
Enterprise Architecture Standards				✓
Application Hosting Capability				✓

Overview of Reusability Opportunities

Figure 6 provides a high-level overview of the State of Connecticut IT systems capacity to meet the technical requirements for each component of the proposed CTHIX architecture. Red indicates little alignment, yellow indicates average alignment, and green indicates high alignment. Gray indicates no systems, system components, or processes exist at present to meet the technical requirement of the proposed CTHIX architecture.

Figure 6. Connecticut Systems, Standards and Capabilities Assessment

Technical Component	Connecticut IT Systems/Standards					
	EMS	MCSD/ConneCT	CORE-CT	CRIS	SERFF	BEST

⁴: Mercer Report: http://www.healthreform.ct.gov/ohri/lib/ohri/exchange/mercer_final_report_ct_hix1.20.12.pdf

Technical Component	Connecticut IT Systems/Standards					
	EMS	MCSD/ ConneCT	CORE-CT	CRIS	SERFF	BEST
Business Support Components						
Information Management	Red	Yellow	Grey	Grey	Grey	Grey
Knowledge Management	Grey	Yellow	Grey	Grey	Grey	Grey
Business Process Management	Grey	Yellow	Grey	Grey	Grey	Grey
Master Person Index (MPI)	Red	Grey	Grey	Grey	Grey	Grey
Financial Transaction Processing	Grey	Grey	Red	Grey	Grey	Yellow
Technical Support Components						
Privacy and Security	Grey	Yellow	Grey	Grey	Grey	Yellow
Rules Engine	Grey	Yellow	Grey	Grey	Grey	Grey
Workflow Management	Grey	Yellow	Grey	Grey	Grey	Grey
Service Management	Grey	Yellow	Grey	Grey	Grey	Grey
Data Management	Grey	Grey	Grey	Grey	Grey	Grey
Channel Interface Components						
Unified Communications	Grey	Green	Grey	Grey	Grey	Grey
Web Portal	Grey	Yellow	Grey	Grey	Grey	Grey
Integration Channels	Grey	Yellow	Grey	Grey	Grey	Grey
Business Management Components						
Financial Management & Reporting	Grey	Grey	Grey	Grey	Grey	Grey
Asset Management	Grey	Grey	Grey	Grey	Grey	Grey
HR Management	Grey	Grey	Grey	Grey	Grey	Grey
Procurement Management	Grey	Grey	Grey	Grey	Grey	Grey
IT Management	Grey	Grey	Grey	Grey	Grey	Yellow
Core Business and Service Delivery Components						
Premium & Tax Credit Processing	Grey	Grey	Red	Grey	Grey	Grey
Plan Certification & Risk Management	Grey	Grey	Grey	Grey	Yellow	Grey
Eligibility Assessment (Individual)	Red	Yellow	Grey	Grey	Grey	Grey
Premium & Tax Credit Processing	Grey	Grey	Grey	Grey	Grey	Grey
Comparison Shopping (Individual)	Grey	Grey	Grey	Grey	Grey	Grey
Enrollment Processing (Individual)	Grey	Grey	Grey	Grey	Grey	Grey
Appeals Management (Individual)	Grey	Grey	Grey	Grey	Grey	Grey
Eligibility Assessment (SHOP)	Grey	Grey	Grey	Grey	Grey	Grey
Comparison Shopping (SHOP)	Grey	Grey	Grey	Grey	Grey	Grey

Technical Component	Connecticut IT Systems/Standards					
	EMS	MCSO/ ConneCT	CORE-CT	CRIS	SERFF	BEST
Enrollment Processing (SHOP)						
Appeals Management (SHOP)						
Broker/ Navigator Relationship Management						
Marketing & Outreach						
Customer Service						
Account Management						

KPMG’s analysis included the following broad observations regarding potential fit of systems, system components, technologies, standards, and capabilities in the proposed CTHIX architecture.

Potential Reuse of Department of Social Services Systems

EMS

EMS is an integrated, mainframe-based software system. EMS functions include case management and eligibility determination for most of the social services programs administered by DSS, such as non-MAGI legacy Medicaid, Connecticut extended Medicaid programs, SNAP and TANF. The original EMS system was developed and deployed in 1989 and is based on a Mainframe CICS/COBOL/IMS DB platform. The platform has been in production for over 20 years and the state is challenged to maintain the system. The age and instability of the platform coupled with the maintenance challenges present significant risk to the state. As a result, the state decided that the platform needs to be retired as soon as possible and replaced with a system that is based on prevalent technology standards and able to support current processing demands and business needs. EMS is scheduled to be replaced in the context of Connecticut’s integrated eligibility initiative, but a comprehensive replacement solution will not be available in time to support the ACA milestones. As such, EMS is not able to provide the Exchange reusable components or capabilities.

Modernization of Client Service Delivery (MCSO)

The Connecticut DSS is in the process of a project referred to as MCSO. The core software solution being implemented by Deloitte Consulting LLP as part of MCSO is based on a transfer of software from other states and is branded as ConneCT. The ConneCT technical architecture automates the delivery of a number of client/citizen facing services and activities.

Key ConneCT business processes include:

- Web-based program screening (a high level anonymous assessment)
- Web-based application intake for clients
- Web-based reporting of data changes
- Web-based collection of redetermination data
- Scanning of documents such as verifications
- Call center support
- Interactive Voice Response (IVR) (third party hosted)

Based on the review of ConneCT technical support components, several CTHIX components were identified that could be supported by ConneCT. These include the rules engine, workflow management, service (enterprise service bus) management and channel interface components.

Potential Reuse of Office of State Comptroller Systems

CORE-CT Enterprise Resource Planning System

The assessment of CORE-CT capabilities that was done as a part of the Initial IT Gap Analysis focused on the feasibility of using CORE-CT for the CTHIX premium and advance premium tax credit business processes.

CORE-CT's PeopleSoft installation includes basic billing and collection functionality, which could be used to support premium and tax credit processing; however, it would require significant customization and integration work to support the CTHIX enrollment and SHOP processes. Any such development effort would be made more complex by the fact that CORE-CT is in the midst of a significant project to upgrade PeopleSoft. This upgrade project is scheduled to run concurrently with the development of the CTHIX. Perhaps most challenging, significant work would be required to scale CORE-CT to support the volume of billing and collections anticipated by CTHIX. Based on this assessment, we do not believe CORE-CT can be leveraged by the CTHIX to support premium billing and advance premium tax credit processes.

Potential Reuse of Connecticut Insurance Department Systems

The systems used by the Connecticut Insurance Department (CID) were reviewed to assess the processes and technology used for plan certification and management and customer service support and outreach. The reviews were meant to understand and document the applicability of leveraging CID business processes and systems for related Exchange processes. Two systems were identified for analysis.

System for Electronic Rate and Form Filing

The first system is the National Association of Insurance Commissioners' (NAIC) System for Electronic Rate and Form Filing (SERFF). SERFF is used to interact with health plan issuers to support rate and form filing review and approval. Based on our review, it appears that CID processes may be leveraged to support Exchange Plan Certification, and CTHIX is working with CID to leverage the SERFF system and other CID resources to support the Exchange and minimize duplication.

Connecticut Regulatory Information System

The second CID system is the Connecticut Regulatory Information System (CRIS). CRIS is a robust two tier software application for customer support that provides workflow functionality and captures all relevant data required to provide a wide spectrum of reports required by CID. The system has integration with email, document storage and the ability to interface for data upload and exchange with other systems. The system does not have an integrated telephony module. CID currently has no advanced telephony/IVR set up available. The system provides a stable platform for current CID requirements, but cannot be leveraged for the HIX requirements as it is not easily integrated into a wider system or platform.

Potential Reuse of Bureau of Enterprise Systems and Technology

Connecticut Enterprise Architecture Standards

The Connecticut Bureau of Enterprise Systems and Technology (BEST) uses a Connecticut Enterprise Architecture (CTEA) model that consists of four layers:

1. Technical Architecture
2. Application Architecture
3. Information Architecture
4. Business Architecture

Each of the four layers includes standards and components that comprise a specific architectural view. The CETA defines detailed standards for the following domains:

- Application and Web Development Domain
- Collaboration and Directory Services Domain
- Data Management Domain
- Middleware Domain
- Enterprise Systems Management Domain
- Networking Domain
- Platform Domain
- Security Domain

For each of the above domains, a technical architecture document exists that consists of a subject overview and specific products supported by BEST. Based on a review of BEST standards, it was identified that the CTHIX's IT management and privacy and security processes are good candidates to be supported through the BEST Standards.

Hosting Capability

BEST provides infrastructure and hosting capabilities for several of the important systems required by various state agencies. CTHIX and BEST are presently developing an MOU to outline the requirements for BEST to provide the Exchange with application hosting support.

E-4. Evaluation Plan

A key component of the Level Two project area's success is the creation of an evaluation plan, which will include metrics around Exchange planning, establishment, and operations. The evaluation plan will measure each of these areas to ensure that objectives are successfully met. The Exchange's senior leadership team—including the COO and CFO—will bring a broad perspective to the design of the evaluation plan, assuring that the goals and time lines are met and the process is integrated with and inclusive of other health reform efforts.

To ensure progress is monitored and measured within each initiative, the CTHIX has developed two reports, which are available for review. The first is a Performance Management Plan⁵, which outlines basic metrics around project execution, quality measurements, and process improvement for the Exchange. The second report is a Project Management Plan⁶ that describes the plans, processes, and procedures for managing and controlling the information technology (IT) life cycle activities of Connecticut's Health Insurance Exchange project. These reports include explanations of key indicators, baseline data, methods for monitoring progress and evaluating the achievement of program goals. Additionally, they describe Connecticut's

⁵ CTHIX Performance Management Plan: Reference CALT doc7466: CTHIX Performance Management Plan 051012.pdf

⁶ CTHIX Project Management Plan: CALT doc7464: CTHIX Project Management Plan 051012.pdf

approach to proactive intervention should targets not be met or unexpected obstacles occur, as well as an outline of the ongoing evaluation approach the Exchange will adopt once the CTHIX is operational.

The key indicators selected for measurement are derived from the principal tasks and milestones to be completed and achieved within each Exchange development core area. These indicators include project management, operational and population-based metrics.

During the implementation phase, the project management and process oriented metrics will be used as the key indicators.

Once the Exchange is established and is in operations phase, metrics that focus on operations and customer service will be added.

Identification of the baseline data indicators will be developed as part of the Exchange's implementation effort. A specific framework will be identified for these baseline data and reporting elements. Finally, to measure the overall success of health reform, population-based metrics will be tracked and reported.

Project Management Metrics

As the Exchange implementation project is one of significant complexity, involving multiple stakeholders, it will need to rely on a highly organized and systematic approach to project management to facilitate and ensure success. Connecticut has outlined its approach in the Project Management Plan mentioned previously. This report details how the project will be organized and staffed, as well as the methodology around how project management will be employed for each aspect of the project. It also describes the CTHIX approach to overall project management, as well as communication, risk, quality, change, configuration, and requirements management. The methodology and tools referenced in the plan will allow for consistent channels for communication, management, and reporting of progress, which will be critical for evaluating achievement against program goals. During implementation, the Exchange team will utilize the work plan to identify and track key milestones and indicate when a task is behind schedule. The work plan will ensure that the deliverables and milestones outlined meet the quality and expected results. Additionally, the work plan will track the baseline for resource allocation, scope, financial risk, and schedule risk. In conjunction with the work plan, the Risk Management Plan⁷ will also be utilized to identify and monitor both risks and issues that may negatively impact achievement of program milestones.

Operations and Customer Service Metrics

Operations and customer service metrics will be used to measure the operational efficiency and efficacy of the Exchange once it's up and running. Key operational metrics have been identified, but are not limited to the following: enrollment metrics (by month, carrier, geography, plan tier, and demographic characteristics); premium costs (trends over time, comparisons to costs outside the Exchange, and actual versus projections); as well as additional metrics around number of applications, cancellations, and appeals.

Key customer service metrics may include the following (applicable to both Web site and the call center): volume; number of complaints, resolutions, first call resolutions, escalations; resolution and abandonment rates; wait time; length of call; and customer satisfaction metrics (measured via a customer satisfaction survey). The metrics identified will provide measurable information that will help support and drive business and policy decisions that can optimize and improve the Exchange's operations.

⁷ CTHIX Risk Management Plan: CALT doc7459: CTHIX Risk Management Plan 051012.pdf

Population Metrics

In addition to measuring the successful implementation and operation of the Exchange, metrics have been identified to evaluate the impact of the Exchange on health coverage, affordability, access, and quality to the broader population of Connecticut. The state will utilize existing sources of data including MEPS, CPS, ACS, and additional public databases to evaluate the population and impact of health reform, overall. Key indicators may include employer metrics (offer and coverage rates, level of sponsorship, premium and cost sharing amounts), insurance coverage distribution and percent uninsured. Lastly, CTHIX plans to leverage data and information available through the APCD, partial funding for which is included in this budget request.

F. Work Plan and Time Line

As described in section E-1, CTHIX has developed a work plan to facilitate milestone tracking and reporting. The work plan is designed to ensure that CTHIX meets all of the critical milestones identified in CCIIO's FOA. As Exchange implementation progresses, a more detailed work plan will emerge. The work plan will be continually enhanced and maintained by the CTHIX PMO, in close collaboration with all relevant vendors and partners. It will be an important tool in the management and monitoring of all areas of Exchange development.

A summary view of the current CTHIX Work Plan⁸ and time line is provided in Figure 7 on the following page. Activity 2 – “Stakeholder Consultation: Director of Consumer Marketing” is expanded to illustrate the level of detail available in the full work plan. The full version of the work plan and time line is available on CALT.

In addition to the graphical work plan and time line included here, the CTHIX Project Management Plan⁹ will be used to guide the management and monitoring of these activities. The CTHIX Project Management Plan is available on CALT.

⁸ CTHIX Work Plan: Reference CALT doc7465: CTHIX Work Plan 051012.pdf

⁹ CTHIX Project Management Plan: Reference CALT doc7464: CTHIX Project Management Plan 051012.pdf

Figure 7. High-level Work Plan

Task No.	Key Activity/ Sub-Tasks	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Executive Leadership:																	
Project Management					X	X	X	X	X	X	X	X	X	X	X	X	X
1. Background Research		X	X	X	X	X	X										
2. Stakeholder Consultation		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
11	Create public engagement strategy including development of stakeholder groups, time/location for meetings, presentation materials, etc.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
12	Execute initial outreach using two-tiered approach (professionally facilitated public forums and stakeholder meetings)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
13	Provide to HHS publicly-available minutes from completed open stakeholder meetings (including Tribal consultations, see Tribal Outreach section)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
14	Complete stakeholder meetings and provide publicly available minutes related to the open enrollment process and outreach materials (including Tribal consultations, see Tribal Outreach section)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
15	Post evidence of regular consultation to solicit public input on the Exchange Web site (including Tribal consultations, see Tribal Outreach section)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
16	Integrate stakeholder feedback into Exchange planning and implementation (See also Mintz & Hoke activities under Outreach & Education section below)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3. Legislative and Regulatory Action		X	X														
4. Governance		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
5. Exchange IT Systems			X			X	X	X	X	X	X	X	X	X	X	X	X
6. Program Integration					X	X	X	X	X	X	X	X	X	X	X	X	X
7. Financial Management						X	X	X	X	X	X	X	X	X	X	X	X
a. Operations						X	X										
b. Financial Management Plan						X	X	X	X	X	X	X	X	X	X	X	X
8. Oversight and Program Integrity		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

State of Connecticut Level Two Establishment Grant Application
Funding Opportunity Number: IE-HBE-11-004/CFDA: 93.525

Task No.	Key Activity/ Sub-Tasks	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
9.	Coverage Policy, Essential Health Benefits (EHB), Insurance Market Compliance and Reforms	X	X	X	X	X	X	X									
10.	Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints					X	X	X	X	X	X	X	X	X	X	X	X
11.	Business Operations	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
a.	Certification, Recertification, and Decertification of QHPs	X	X	X	X	X	X	X	X	X	X	X					
b.	Call Center					X		X		X	X	X	X				
c.	Exchange Web site and Premium Tax Credit and Cost-sharing Reduction Calculator					X	X	X	X	X	X	X	X	X	X	X	X
d.	Quality Rating System					X	X	X	X	X	X	X	X	X	X	X	X
e.	Navigator Program					X	X	X	X	X	X	X	X	X	X	X	X
f.	Eligibility Determination of Exchange Participation, APTC, CSRs, and Medicaid	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
g.	Seamless Eligibility and Enrollment Process with Medicaid/State Programs	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
h.	Enrollment Process					X	X		X	X	X	X	X	X	X	X	X
i.	Applications and Notices				X	X	X	X	X		X						
j.	Individual Responsibility Determinations	X	X			X	X										
k.	Administration of Advance Premium Tax Credits and Cost-sharing Reductions	X	X			X	X										
l.	Adjudication of Appeals of Eligibility Determination	X	X	X	X		X	X									
m.	Notification and Appeals of Employer Liability					X	X						X	X	X	X	X
n.	Information Reporting to IRS and Enrollees					X	X	X	X	X	X	X		X	X	X	X
o.	Outreach and Education					X	X	X	X	X	X	X	X	X	X	X	X
p.	Risk Adjustment and Transitional Reinsurance			X	X	X	X										
q.	SHOP Exchange					X	X	X		X	X	X	X	X	X	X	X
r.	Tribal Outreach	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

I. Descriptions for Key Personnel and Organizational Chart

Organizational Overview

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 for successful ongoing operations while simultaneously managing the design, development and implementation of the CTHIX solution.

The following section describes the path the Exchange has taken to evolve from a small “start-up” organization to one that stands ready to operate a fully-functioning, ACA-compliant Health Benefit Exchange.

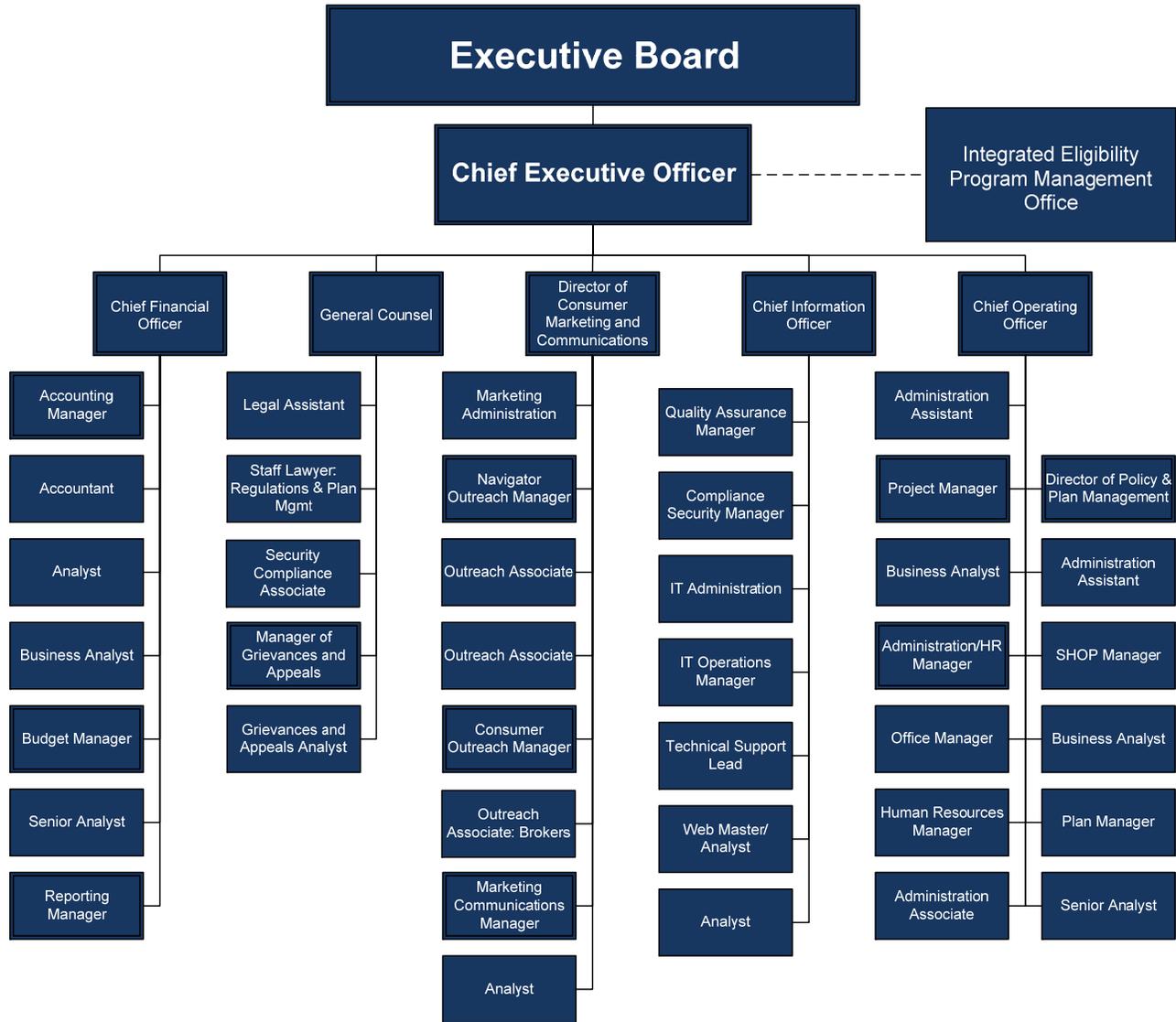
When the organization that would become the CTHIX started over 18 months ago, the CTHIX utilized existing state contracts to facilitate temporary-to-permanent hiring to obtain staff. The Project Director, working with the OPM, developed a strategy to apply for Level One Exchange Establishment Grant funding, and, once approved, housed the fledgling Exchange within OPM on a temporary basis. As the planning process took shape, CTHIX used consultants to “staff” open positions and has 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 Exchange 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.

Figure 8 Connecticut Health Insurance Exchange Organizational Structure, below, provides the organizational structure for the CTHIX. This is an aggregate view of the organization and does not reflect specific reporting structures. As noted above, the Exchange organization was designed to support two key initiatives:

1. Establishing the CTHIX for ongoing operations, and
2. Implementing the selected HIX solution to meet the milestones and deadlines of the ACA.

Figure 8. Connecticut Health Insurance Exchange Organizational Structure



Integrated Eligibility Program Management Office

In order to position the Exchange to meet operational benchmarks for state-based Exchange development, the CTHIX will utilize an IEPMO to facilitate the aggressive build schedule established by the FOA’s delivery milestone guidelines and the deadlines required by the ACA to ensure program integration across state agencies. Additionally, the IEPMO approach will allow for successful knowledge transfer and immersion between the IEPMO staff and the team required to operate the Exchange going forward. The IEPMO will provide the following resources to support the dual immersion and implementation objectives of:

- Establishing an integrated, independent and dedicated team tasked with managing the IT build and coordinating with the Exchange operational organization to prepare the CTHIX for sustained success
- Coordinating activities with other Connecticut agencies, other states and federal agencies
- Providing project management and domain SMEs

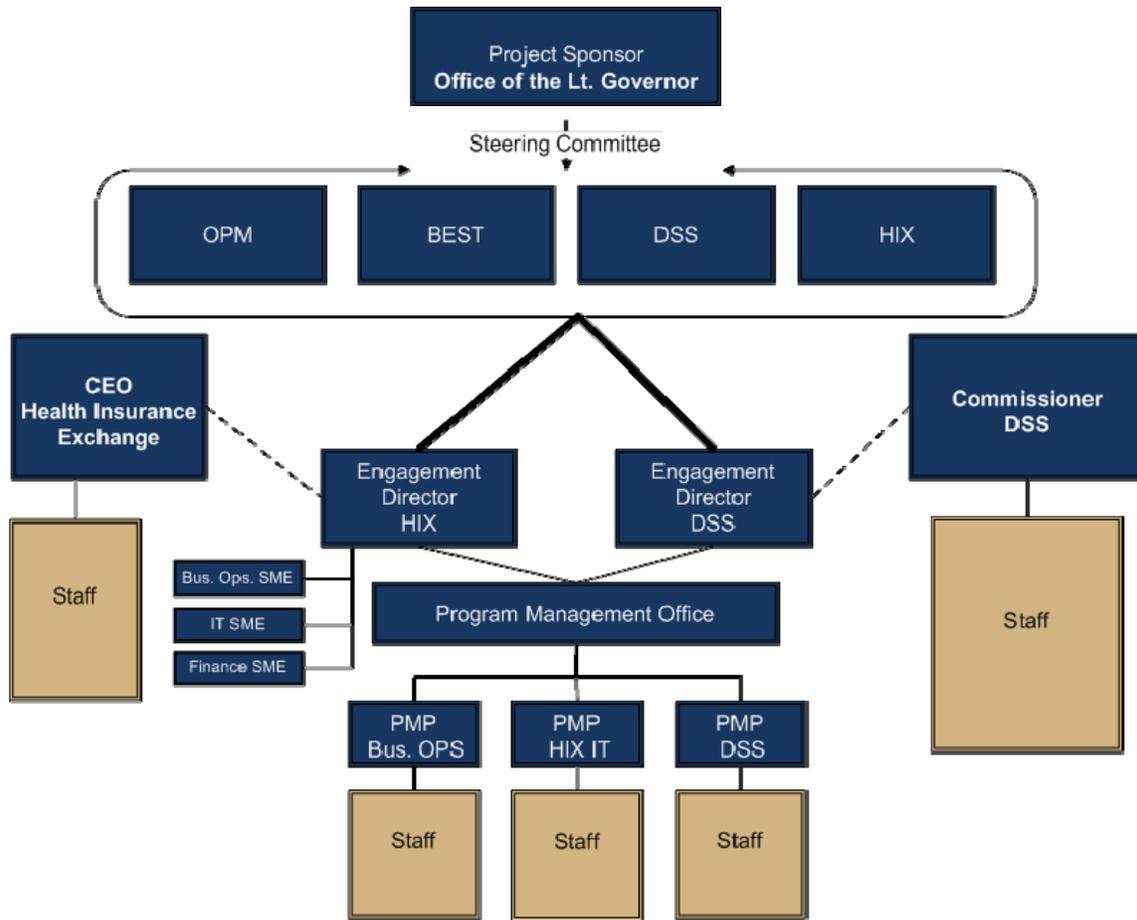
- Supporting the immersion and on-boarding of new CTHIX leadership and key staff by aligning IEPMO SMEs with key CTHIX management roles
- Managing the systems integrator and other contractual relationships associated with the IT build

The IEPMO is jointly directed by senior DSS and CTHIX officials, and will fall under the governance of the Project Sponsor (the Office of the Lt. Governor) and a multi-jurisdictional steering committee that includes CTHIX and key Exchange stakeholder agencies (OPM, BEST and DSS).

An important asset in an IEPMO approach is the scalability of its structure and the ability to respond quickly to effectively address resource fluctuations in the project’s phasing. As such, it will be an effective model and will greatly benefit the CTHIX implementation initiative.

The IEPMO structure is illustrated in Figure 9 below. The Descriptions for Key Personnel section highlights the core leadership team of Exchange staff that will work in concert with the IEPMO team to establish the CTHIX and position it for success.

Figure 9. Integrated Eligibility Program Management Office

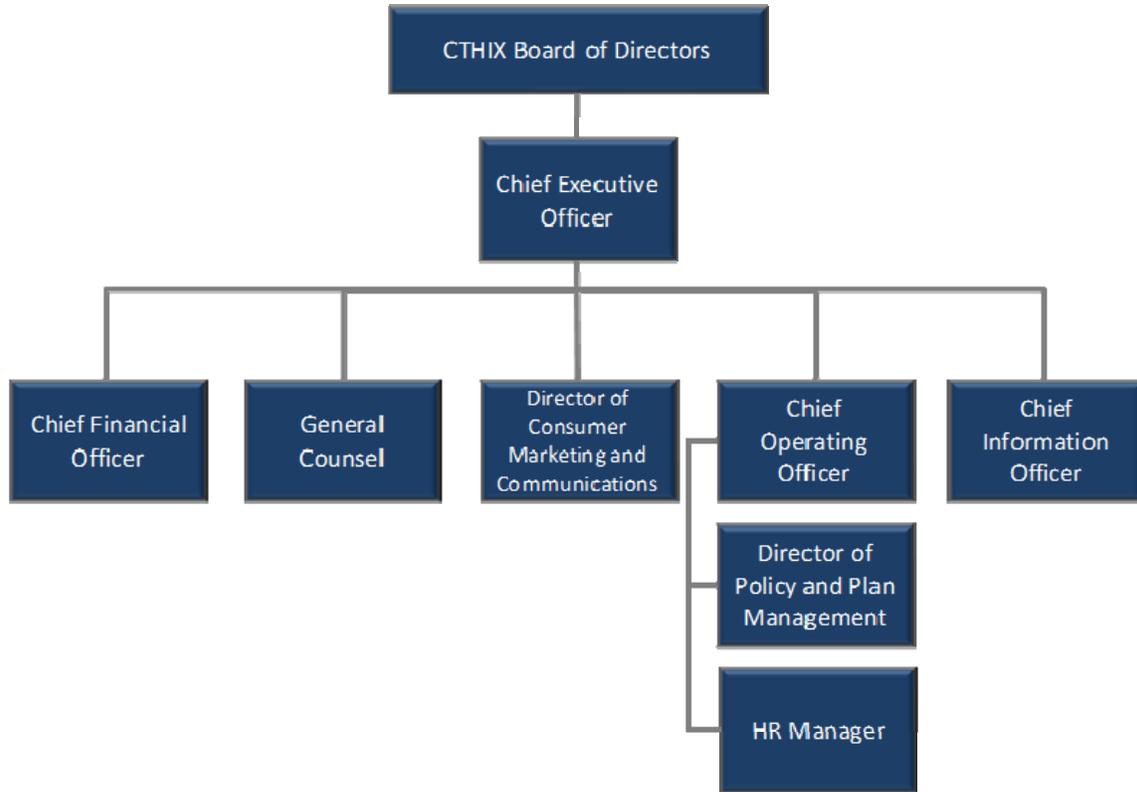


Description of the Board of Directors

The CTHIX is governed by a Board of Directors. CTHIX has a core leadership team of Exchange staff, supported by contract staff and where possible, resources from other state agencies for a streamlined,

efficient staffing model. Figure 10 CTHIX Executive Leadership Team illustrates the BOD and key executive leadership positions for the CTHIX.

Figure 10. CTHIX Executive Leadership Team



Board Overview

The CTHIX is governed by a 14-member Board of Directors. Members include ex officio state government officials and private sector members appointed by both the legislative and executive branches of government. The mission of the Exchange, and by extension the mission of the Board, is to increase the number of insured residents, improve health care quality, lower costs and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and health care providers that best meet their needs. Lieutenant Governor Nancy Wyman is the chair of Board of Directors. Members of the Board include:

Legislative Leadership Appointees

- Michael Devine, Founder and Chief Executive Officer, Earth Energy Alliance
- Mary C. Fox, Former Sr. Vice President, Product Group, Aetna
- Mickey Herbert, Former Chief Executive Officer, ConnectiCare
- Grant A. Ritter, Senior Scientist, Schneider Institutes for Health Policy
- Robert E. Scalettar, Former Chief Medical Officer, Anthem Blue Cross Blue Shield
- Robert F. Tessier, Executive Director, CT Coalition of Taft Hartley Health Funds
- Cecilia J. Woods, Vice-Chair, Permanent Commission on the Status of Women

Ex Officio Voting Members

- Benjamin Barnes, Secretary, Office of Policy and Management
- Roderick L. Bremby, Commissioner, Department of Social Services
- Jeannette DeJesús, Vice Chair, Special Advisor to the Governor on Health Reform, Office of Health Reform & Innovation
- Victoria Veltri, State Healthcare Advocate, Office of the Healthcare Advocate¹⁰

Ex Officio Nonvoting Members

- Anne Melissa Dowling, Deputy Commissioner, Connecticut Insurance Department
- Jewel Mullen, Commissioner, Department of Public Health

Descriptions of Key Personnel

The following section of the application presents the CTHIX's staffing plan and provides justification for the envisioned positions including the education and experience qualifications for each role. Each of these key leadership positions is devoted full-time to CTHIX.

Chief Executive Officer

Position Description

The Chief Executive Officer (CEO), working closely with CTHIX senior staff, other Connecticut agency leadership, Board of Directors and IEPMO, will oversee the management and operations of the Exchange. The CEO will be responsible for executing the vision of the Exchange, strategic planning, hiring key staff, maintaining collaborative working relationships with diverse groups (e.g., insurers, agents and brokers, consumers, providers, trade associations, state and Federal agencies, local government agencies, advocacy groups and other stakeholders) and communicating the mission of the Exchange and healthcare reform more broadly to the citizens of Connecticut.

Position Requirements

The Chief Executive Officer must have a bachelor's degree from an accredited college or university, with 10+ years of senior leadership experience in business or public administration preferred. Candidates must demonstrate the ability to manage large and complex projects, motivate staff, and cultivate effective stakeholder relationships. Extensive knowledge of the healthcare reform, health insurance, and health policy domain is required. The CEO will work full-time through the planning, implementation, and on-going operational phases of the exchange.

Chief Operating Officer

Position Description

The Chief Operating Officer (COO) provides oversight and guidance on the implementation of the infrastructure necessary for the Exchange. The COO will develop, strengthen, and coordinate a strategic approach to policy development; introduce economic analysis as a routine component of assessment,

¹⁰ Recently passed legislation changed the status of the State Healthcare Advocate from non-voting to voting.

evaluation and policy development activities; and build capacity for program evaluation. The COO will manage the business operations of the Exchange, including many of the vendor contracts and partnerships with other agencies/departments. The COO will play a crucial role in the development of the Exchange's programmatic priorities.

Position Requirements

The COO must have a bachelor's degree from an accredited college or university, with 10+ years of experience in business or public administration preferred. Candidates must demonstrate knowledge of IT, customer service, and operational management. Extensive knowledge of the health care market, health insurance, and health care reform is required.

Chief Financial Officer

Position Description

The Chief Financial Officer (CFO) will manage the fiscal and budgetary components of the Exchange. The CFO will have responsibility for the financial management of revenues, expenses, contracts, procurements, and program integrity/financial controls. The CFO will be responsible for implementing financial controls for the Exchange, and creating the processes for financial reporting and oversight. The CFO will work closely with the CEO to develop and implement a fiscal strategy for the Exchange.

Position Requirements

The CFO must have a bachelor's degree from an accredited college or university in finance, accounting, or related field with over ten years of leadership experience in business or public administration preferred. Extensive knowledge of budgeting, financial management, the health care market, and health insurance is required. A certified public accountant (CPA) credential preferred.

General Counsel

Position Description

The General Counsel will provide legal advice and counsel on all aspects of the Exchange implementation process as applicable to Connecticut and Federal regulations. Specific responsibilities include reviewing all contracts with outside parties (including health plans), providing advice and support for any state procurements, and management of the appeals process.

Position Requirements

The General Counsel must have a J.D. degree from an accredited United States law school and admission to the Connecticut bar with over ten years of experience as an in-house counsel to a relevant private or public entity preferred. Expertise with existing Connecticut state agencies and knowledge of health care reform preferred.

Director of Consumer Marketing and Communications

Position Description

The Director of Consumer Marketing will oversee the sales and marketing of health plans, including managing relationships with health plans and brokers, developing and managing the Navigators program, overseeing all marketing outreach activities, and conducting market research and marketing campaigns.

Position Requirements

The Director of Consumer Marketing should have a bachelor's degree in a related field with over five years of experience in sales and marketing. Experience with health insurance or health care preferred.

Chief Information Officer

Position Description

The Chief Information Officer (CIO) provides IT oversight for the Exchange, including IT vendor strategy, and management of any regional IT collaboration, if applicable. Additional responsibilities include integration of IT systems with other partner systems within the state, implementation oversight, and ongoing maintenance as needed. This position will work closely with the COO to assist in the development and operation of IT functions and projects.

Position Requirements

The CIO must have a bachelor's degree from an accredited college or university, with over ten years of experience in information technology operations or project management. Candidates must demonstrate knowledge of IT, project management, and IT operations management. Knowledge of the health care market, health insurance, and health care reform preferred.

Director of Policy and Plan Management

Position Description

The Director of Policy and Plan Management (DPPM) will oversee research and policy activities for the Exchange, and will be involved in managing relationships with health plans. This includes leading the process to determine certification standards for qualified health plans (QHPs), overseeing quality measures/evaluation, leading QHP solicitations, and managing overall research and development efforts. Regular contact with the Board of Directors and support of Board initiatives is expected. The DPPM will also coordinate the research and policy activities of the Exchange, maintain contact with regulatory authorities (state and Federal), and assist the CEO with strategic and policy analysis.

Position Requirements

The Director of Policy of Plan Management must have a bachelor's degree from an accredited college or university in business, public policy, public administration, or a related field with over ten years of experience in public policy, policy research, or health care policy preferred. Extensive knowledge of health care reform and applicable state and Federal laws and regulations is required.

Manager of Administration/Human Resources

Position Description

The Manager of Administration/Human Resources will manage all human resources related functions and processes. This includes responsibility for employee performance management, employee development management, training coordination, employment records, succession planning, recruiting, and office policy administration. The Manager of Administration/Human Resources ensures regulatory and legal compliance for all employment-related matters. They report to the COO and manage additional staff as necessary.

Position Requirements

The Manager of Administration/Human Resources must have a bachelor's degree from an accredited college or university in a related field with over five years of HR, administrative, and project management experience. Must possess excellent effective interpersonal skills including sound judgment, teamwork orientation, and sensitivity to deal with confidential business, human resources, and client-related information and issues. Strong presentation, facilitation, organizational, analytical, and written/oral communication skills are also required.

Biographical Sketches for Key Personnel

Chief Executive Officer

January 2011, Ms. Tia Cintron was hired as the Project Director for Connecticut's Exchange Planning Grant through the Office of Policy and Management and in December 2011 appointed as the Acting Chief Executive Officer of the Exchange. Ms. Cintron has been a part of two large scale startup initiatives; one with a managed care organization and one as a founding partner of a residential urban infill project. Ms. Cintron has 25 years of experience in strategic planning, operations and marketing and holds an undergraduate degree in Political Science and a Masters degree in Health Care Administration.

Mr. Kevin Counihan has accepted the permanent CEO position for the Exchange and will join the team starting July 3, 2012. Mr. Counihan has over 30 years' experience in the health care industry and previously held the position of President of Choice Administrators in California. Prior to CHOICE Administrators Mr. Counihan served as the chief marketing officer for the Commonwealth of MA Health Insurance Connector Authority, was senior vice president for sales and marketing for Tufts Health Plan and regional vice president for CIGNA and EQUICOR. Mr. Counihan holds an undergraduate degree from the University of Michigan and an MBA in finance and marketing from Northwestern University's Kellogg School of Management.

Chief Operating Officer

The anticipated start date for the COO is August 2012.

Chief Financial Officer

The anticipated start date for the CFO is July 2012.

Chief Information Officer

Mr. Jim Wadleigh will serve as the CIO starting July 9, 2012. Mr. Wadleigh will provide direction and oversight for information technology that supports the Exchange's strategic direction. Before joining the CT HIX, Mr. Wadleigh worked for CIGNA, a health services organization, where he served most recently as Senior Director of Application Development, Call Center Technologies. Mr. Wadleigh's career spans 23 years in information technology across multiple insurance industries including health care, property casualty and life insurance, and annuities. Mr. Wadleigh has a bachelor of science degree in Business Administration from the University of Vermont and a master of science degree in Management from Rensselaer Polytechnic Institute.

General Counsel

In May 2012, Ms. Virginia Lamb joined the Exchange as General Counsel. Ms. Lamb brings more than 30 years of experience in law, health care management, managed care and consulting. Most recently, Ms. Lamb was in private practice, focusing on health benefit, employment and disability issues. Previously she was the Senior Vice President for Business Development, Planning and Managed Care for the Eastern Connecticut Health Network, Inc. (ECHN) where she developed and implemented the managed care strategy for the system, drafting, negotiating and monitoring both capitated and non-risk managed care contracts with more than 60 health plans and specialty carve out companies. She also managed ECHN's system-wide response to the introduction of Medicaid and Medicare managed care. Ms. Lamb received her J.D. degree from American University and her B.S. F.S. from Georgetown University. She is licensed in CT, MD (inactive) and DC (inactive).

Director of Consumer Marketing and Communication

Mr. Jason Madrak joined the Connecticut Health Insurance Exchange in May 2012 as the Director of Marketing. Mr. Madrak brings more than 15 years of diverse experience in media and marketing leadership in the finance, insurance and consumer products industries. Most recently, Mr. Madrak held senior leadership positions at both WellPoint and Aetna, where he led efforts to develop engaging consumer outreach programs and improve the member experience. Additionally, Mr. Madrak has led market research efforts at both The Wall Street Journal and Conde Nast, focused on driving effective media and marketing strategies for the firm's client base of leading national advertisers. A Connecticut native, Mr. Madrak holds a bachelors degree in Marketing from the University of Connecticut, and an MBA in marketing from New York University's Stern School of Business.

Director of Policy and Plan Management

Ms. Julie Lyons joined the Connecticut Health Insurance Exchange as Director of Policy and Plan Management in May of 2012. Ms. Lyons' health plan experience spans nearly 20 years. She was the Director of Compliance of Benefit Contracts for Health Net of the Northeast, Inc. Here she gained expertise in benefit and contract language, product compliance, regulatory submissions and regulatory negotiation and approval processes. Ms. Lyons served on the Board of Directors for Health Net Insurance of New York. She was also the Director of Information Privacy for Health Net of the Northeast, Inc. where she was responsible for HIPPA privacy matters, including incident research and resolution as well as company education. Ms. Lyons, a Connecticut, native holds a bachelor's degree in English from Quinnipiac University.

HR Manager

A full-time HR Manager will be hired in third quarter 2012.

J. Documentation Supporting Eligibility of Applicant

Connecticut has carefully reviewed the eligibility criteria required of Level Two Exchange Establishment applicants. We meet the criteria, as detailed below and noted elsewhere in this application.

Legal Authority

In June 2011, the Connecticut General Assembly enacted Public Act 11-53 establishing the Connecticut Health Insurance Exchange (CTHIX), a quasi-public agency with the legal authority to establish and operate an Exchange in Connecticut that complies with existing federal requirements.

Governance Structure

The Connecticut Health Insurance Exchange is led by a 14-member Board of Directors appointed by both the legislative and executive branches of government. Lieutenant Governor Nancy Wyman is the chair of the Board of Directors and there are 12 voting and two non-voting members. The Health Insurance Exchange is managed by a Chief Executive Officer who is responsible for administering the Exchange's programs and activities in accordance with the policies and objectives established by the Board. Additional detail is included in *Section I Key Personnel and Organization*.

Budget Through 2014

Our Level Two Establishment request for 2012-2014, net of Medicaid allocable cost and the applicable Level One Establishment Grant Supplement offset, is \$107,765,695. A complete budget and narrative through 2014 is provided in *Section G Budget Narrative*.

Financial Sustainability

The Connecticut Health Insurance Exchange Board of Directors (BOD), working with the Governor, Legislature, and key stakeholders, is planning for the financial self-sustainability of Exchange operations by January 1, 2015. While the Exchange BOD has not yet determined a specific methodology for financing the ongoing operations of the Exchange, the Exchange enabling legislation (Public Act 11-53) requires the Exchange CEO to report to the Governor and Legislature with a plan to ensure the Exchange is financially self-sustaining by 2015. Methods to raise revenue include, but are not limited to, an assessment or user fee charged to carriers. An analysis of financial sustainability for the Exchange demonstrating Connecticut's initial plans for self-sustainability by 2015 is provided in *Section G-3 Self-sustainability*.

Prevention of Fraud, Waste, and Abuse

During the Level One Establishment phase, Connecticut identified the management, oversight, and institution of proper safeguards for preventing fraud, waste, and abuse as key elements of the operational plan for the Exchange. The Exchange has instituted policies to ensure the proper use of state and federal funds. Further detail is provided in *Section E-1. Demonstration of Past Progress in Exchange Planning Core Areas; Subsection H. Program Integrity*.

Assistance to Individuals and Small Businesses

Providing a seamless consumer experience to users of the CTHIX is critical, and the CTHIX is focused on providing comprehensive customer support and assistance. To the greatest extent possible, CTHIX plans to leverage current capabilities within the various agencies (e.g., Department of Social Services, Connecticut Insurance Department) to ensure that appropriate programs and systems are in place to provide superior customer assistance for Exchange participants. Further detail is provided in *Section E-1. Demonstration of Past Progress in Exchange Planning Core Areas; Subsection J. Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints*.