

# The Exchange Blueprint: Applying for Affordable Insurance Exchange Approval

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS for MEDICARE & MEDICAID SERVICES  
Center for Consumer Information and Insurance Oversight

Health Insurance Exchange System-Wide Meeting  
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# Objectives

- Describe the structure of the Exchange Blueprint and contents of the Exchange Declaration Letter
- Discuss Exchange Blueprint submission requirements
- Discuss Exchange Approval and Conditional Approval
- Summarize the Exchange Blueprint timeline
- Solicit State feedback and discussion

# Overview

- The Affordable Care Act requires the establishment of Affordable Insurance Exchanges to provide individuals and small employers with access to affordable insurance coverage beginning January 1, 2014
  - States have the flexibility to design and operate Exchanges that best meet their unique needs while meeting the Affordable Care Act's statutory and regulatory standards
- A State choosing to establish its own Exchange or participate in a Partnership model, must complete and submit an **Exchange Blueprint** that documents how its Exchange meets all the legal and operational standards
- A State must also demonstrate operational readiness to execute Exchange activities as part of its Exchange Blueprint

# Exchange Model Declaration Letter

## Exchange Blueprint also requests submission of an **Exchange Model Declaration Letter**

- Contents:
  - Indicating choice of Exchange Model Option
  - Signed by Governor
  - Designating individual(s) (Designee(s)) responsible for Blueprint submission and HHS Exchange collaboration
- Due at or before time of Blueprint submission (by November 16, 2012)
- If received at least **30 business days** prior to submission of Blueprint, States pursuing a SBE or a State Partnership Exchange will be offered an optional Blueprint Consultation
- If a Declaration Letter is not received by November 16, 2012, HHS will implement a FFE for the State and perform Exchange Activities

# Exchange Model Options

As part of Exchange Blueprint submission, States will indicate their chosen Exchange Model Option and complete the Blueprint accordingly

## State-based Exchange

State operates all Exchange activities; however, State may use Federal government services for the following activities:

- Premium tax credit and cost sharing reduction determination
- Exemptions
- Risk adjustment program
- Reinsurance program

Complete All Sections of Blueprint

## State Partnership Exchange

State operates activities for:

- Plan Management
- Consumer Assistance
- Both

State may elect to perform or can use Federal government services for the following activities:

- Reinsurance program
- Medicaid and CHIP eligibility: assessment or determination\*

Complete Only Blueprint Sections Applicable to Model

## Federally-facilitated Exchange

HHS operates; however, State may elect to perform or can use Federal government services for the following activities:

- Reinsurance program
- Medicaid and CHIP eligibility: assessment or determination\*

Completion of Blueprint Not Required

\*Coordinate with Medicaid and CHIP Services (CMCS) on decisions and protocols

# Exchange Application Structure

The Exchange Blueprint is structured around the **Exchange Activities** that a State must be able to perform in order to be approved as a State-based Exchange (SBE) or a State Partnership within a Federally Facilitated Exchange (FFE), consistent with the Affordable Care Act and associated regulations

Exchange Activities include:

1. Legal Authority & Governance
2. Consumer & Stakeholder Engagement & Support
3. Eligibility & Enrollment
4. Plan Management
5. Financial Management, Risk Adjustment & Reinsurance
6. SHOP
7. Organization & Human Resources
8. Finance & Accounting
9. Technology
10. Privacy & Security
11. Oversight, Monitoring, & Reporting
12. Contracting, Outsourcing, & Agreements
13. State Partnership Exchange Activities

# Exchange Application Structure (cont.)

Roadmap to completing the Exchange Blueprint – Exchange activities to be addressed in the Blueprint submission by Exchange model

Exchange Activities	Exchange Model		
	State-based Exchange	Partnership – Plan Management	Partnership – Consumer Assistance
Required	42	19	3
Required if applicable	3	0	0
State may use Federal services	4	1	1
Optional	3	0	0

# Exchange Application evidence

Exchange Application submission includes:

- Attestations of completion of Exchange activities or the dates of expected completion
- Descriptions of processes and strategies
- Attachment of reference files and test summaries and results of the Exchange's execution of HHS-provided test scenarios



# Connection with Establishment Review Process

HHS has developed an **Establishment Review Process** that assists States that have received Establishment Grants under Section 1311(a) of Affordable Care Act

- Functions as a “glide path” for States seeking approval for SBE and State Partnership within the FFE
- Enables States to use successful performance to waive out of Blueprint documentation requirements

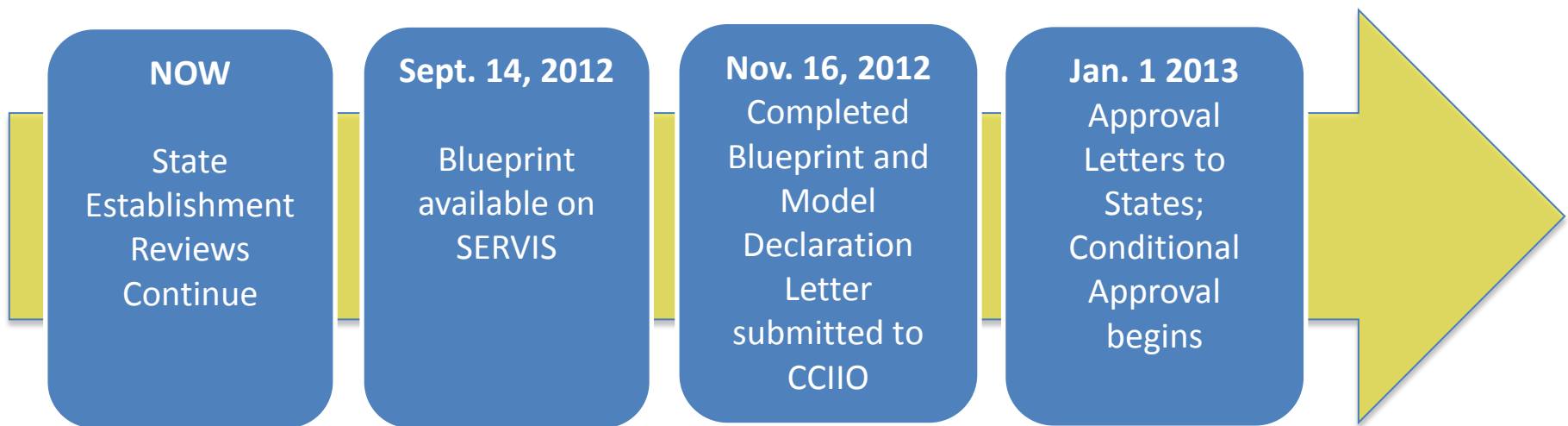
# Exchange Blueprint Approval

- Approval standards for a State Partnership Exchange will mirror SBE Exchange approval standards for activities a State elects to perform within a FFE
- State may be asked to provide additional information after the Blueprint has been submitted; an on-site or virtual Exchange assessment may be conducted as part of the verification of Exchange Operational Readiness
- **Full Approval** will be granted when a State demonstrates its ability to perform **all** required Exchange activities
- **Conditional Approval** can be granted on January 1, 2013 when a State demonstrates:
  - A plan to build all Exchange activities in compliance with the ACA
  - A viable path to successful performance of Exchange activities by October 1, 2013

# Conditional Approval

- Reviews and systems testing will be required for all Conditionally Approved States. Technical assistance will be provided.
- Conditional Approval status will continue:
  - As long as a State continues to meet expected progress milestones
  - Until a State successfully performs all required Exchange activities
- We encourage States applying for Exchange Approval as a SBE that receive Conditional Approval to be prepared to participate in a State Partnership for Plan Management in the event that they are ultimately unable to operate as a SBE in 2014

# Exchange Blueprint Submission/Approval Timeline



# Resources for Additional Information:

## CCIIO Contacts

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CCIIO State Officer, as assigned to each State