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
May 21-23, 2012
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 Blueprint also requests submission of an **Exchange Model Declaration Letter**

- **Contents:**
  - Indicating choice of Exchange Model Option
  - Signed by Governor
  - Designating individual(s) (Desigee(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

**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*

**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*

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

Complete All Sections of Blueprint
Complete Only Blueprint Sections Applicable to Model
Completion of Blueprint Not Required
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
Roadmap to completing the Exchange Blueprint – Exchange activities to be addressed in the Blueprint submission by Exchange model

<table>
<thead>
<tr>
<th>Exchange Activities</th>
<th>Exchange Model</th>
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<tbody>
<tr>
<td></td>
<td>State-based Exchange</td>
</tr>
<tr>
<td>Required</td>
<td>42</td>
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<tr>
<td>Required if applicable</td>
<td>3</td>
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<tr>
<td>State may use Federal services</td>
<td>4</td>
</tr>
<tr>
<td>Optional</td>
<td>3</td>
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</tbody>
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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
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
• 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

**NOW**
State Establishment Reviews Continue

**Sept. 14, 2012**
Blueprint available on SERVIS

**Nov. 16, 2012**
Completed Blueprint and Model Declaration Letter submitted to CCIIO

**Jan. 1, 2013**
Approval Letters to States; Conditional Approval begins
Resources for Additional Information:

CCIIO Contacts
Amanda Cowley, Acting State Exchange Group Director
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Phone: 301-492-4344

General questions:
State.Exchange.Group@cms.hhs.gov; or
CCIIO State Officer, as assigned to each State