Minnesota Project Narrative

A. <u>Demonstration of Past Progress</u>

Key Findings of Background Research

To understand the requirements, options, costs and coverage impacts of an Exchange, Minnesota entered into a contract with Dr. Jonathan Gruber and Gorman Actuarial in March 2011 with Exchange Planning Grant funds. Dr. Gruber and Gorman Actuarial used Minnesota-specific data and detailed data submitted by the Department of Human Services (Minnesota's Medicaid agency), private health insurers, and the Minnesota Comprehensive Health Association (Minnesota's high risk pool) on benefits, enrollment, premiums, and claims experience for economic and actuarial modeling. The purpose of the modeling was to project Exchange enrollment and estimate the impact of insurance market and public program changes. The analysis investigated how options such as the size of the small group market, merger of the individual and small group markets, and implementation of a Basic Health Plan versus Exchange premium tax credits impacts enrollment, premiums, and spending. Preliminary results were shared in September and October 2011 with the Medicaid agency, insurers, and Minnesota's high risk pool. These organizations submitted data for the analysis and were able to review the results for face validity and to recommend alternative assumptions for future modeling. The modeling analysis was completed in November 2011 and results were shared with stakeholders in a variety of settings including a public Exchange Advisory Task Force meeting and a Medicaid Summit that included a real-time webinar. Public feedback was incorporated from these public meetings in a final report that was released in April 2012. The modeling presentations and final report can be found on the Minnesota Health Insurance Exchange [website](#).

In March 2012, Minnesota extended contracts with Dr. Gruber and Bela Gorman to update existing modeling results as more up to date information becomes available. These updated results will be released later this fall. This ongoing actuarial analysis and economic forecasting of risk mix and volume of individual, small group, and Medicaid enrollment will assist in estimating service and financing needs. This work is being conducted in collaboration with the Minnesota Departments of Human Services and Health.

Legal Authority and Governance

On October 31, 2011, Governor Dayton issued an Executive Order directing the Commerce Commissioner, in partnership with the Minnesota Departments of Human Services and Health, to "Design and develop a Minnesota health insurance exchange to ensure access to affordable, high-quality health coverage that maximizes consumer choice and minimizes adverse selection."

In September 2012, Governor Dayton announced the transfer of Exchange design and development activities from the Department of Commerce to Minnesota Management and Budget. In the same letter, Governor Dayton noted his intention to work with state legislators early in the upcoming 2013 legislative session on policy decisions related to governance, financing and navigators and brokers.

A Governance work group was created to provide technical assistance and information on options related to the permanent governance of a Minnesota Health Insurance Exchange. The Governance work group met publicly in late November and early December 2011 and presented options for consideration by the Exchange Task Force in late December 2011. The Exchange Task Force included recommendations related to the ongoing governance of the Exchange in their January 2012 [report](#),

suggesting a public-private partnership model would best meet the goal of providing health insurance choices to individuals and businesses while also integrating public health care coverage, like Medicaid into the Exchange.

Until a permanent governance structure is established, interim governance decisions are being led by Minnesota Management and Budget, in a collaborative manner through multi-agency work groups and interagency agreements (see section on Interagency Agreements and work groups), with input from the Exchange Advisory Task Force of stakeholders described below.

Stakeholder Consultation

Exchange Advisory Task Force

Previous Level one funding was granted to fund the work of the Minnesota Health Insurance Exchange Advisory Task Force. This Advisory Task Force was created under authority granted in Minnesota Statutes §15.014 in September 2011 and works in coordination with the Governor's Health Care Reform Task Force. The Advisory Task Force provides guidance on issues related to the development of an Exchange for Minnesota including but not limited to:

- Size of the small employer market
- Merger of the individual and small group markets
- Provisions to avoid adverse selection
- Risk adjustment
- Regulatory simplification
- Cost, quality, satisfaction rating for insurers and health benefit plans
- Navigator program provisions
- Governance
- Ongoing funding mechanisms

Task Force members were appointed in October 2011 via an open appointments process. Task Force membership includes consumers, employers, health care providers, health insurers, insurance brokers/agents, organizations with experience assisting people with public programs, health care market experts, legislators, and Commissioners of State agencies. Additional information about the Minnesota Health Insurance Exchange Advisory Task Force can be found on the Minnesota Health Insurance Exchange website.

The Exchange Task Force released initial recommendations relating to avoiding adverse selection, ongoing financing, governance and navigators and agents/brokers in January 2012. A link to the report can be found on the Minnesota Health Insurance Exchange website. The Health Insurance Exchange Advisory Task Force continues monthly, public meetings to review and discuss ongoing issues related to Exchange design and development and the work group efforts.

In addition, in the fall and winter of this year the Task Force is considering recommendations from a variety of work groups including:
- Navigators and Agents/Brokers
  - Levels of service
  - Training/certification/licensure requirements
  - Compensation
- Finance

- o Ongoing funding options
- Adverse Selection
  - o Risk adjustment
  - o Stand alone dental
- Measurement and Quality Reporting
  - o Quality rating and employee satisfaction

These recommendations will inform policy discussions and decisions early in the 2013 legislative session.

Work Groups
A number of technical work groups have been created to provide technical assistance on the design and development of a Minnesota Exchange. These work groups are comprised of a variety of stakeholders and are tasked with developing, discussing and providing technical assistance on options to the Administration through the Health Insurance Exchange Advisory Task Force. Details on each of the work groups can be found on the Minnesota Health Insurance Exchange website. There are numerous work groups which include:

- Adverse Selection and Encouraging Market Competition and Value
  - o Plan Certification Subgroup
- Navigators and Agents/Brokers
- Governance
- Financing
- Tribal Consultation
- IT and Operations
- Individual Eligibility
- Small Employers and Employees
- Measurement and Reporting
- Outreach, Communications and Marketing

In the past year, more than 200 stakeholders have shared their ideas, advice and time towards planning a Minnesota Health Insurance Exchange. As Minnesota enters the next phase of Exchange development, a number of the work groups will be re-aligned, transitioning from standing committees focused on planning work to groups of advising experts. The transition will begin in 2013 once work groups have forwarded recommendations or reports to the Advisory Task Force. These newly formed advisor groups will be called upon for guidance on detailed development work, in particular design work of the IT infrastructure for the exchange. Some work groups will remain in their current configuration and will not transition to an advisor role, since their work is more on-going in nature. The Adverse Selection work group may shift their focus to the topic of risk adjustment should the legislature decide to handle it on the state level. Finance and Governance will conclude their work by the end of the year.

Marketing, Communications and Outreach
Minnesota is continuing to develop and implement strategies and work plans for communications, marketing, and stakeholder outreach and engagement efforts designed to educate Minnesotans about the Exchange. These activities include coordinating Exchange communications and outreach activities in a number of state agencies including Minnesota Management and Budget, Minnesota Department of Human Services, Minnesota Department of Commerce, Minnesota Department of Health and MN.IT. Activities include:

- Initiating an inter-agency outreach planning work group. The group will discuss ways to utilize current communication channels from multiple state agencies to employ in helping spread information about the Exchange.

- Redesigning the website towards a public education and outreach focus. The new site will continue to serve as an easily accessed source of information about Exchange-related planning activity for stakeholders and the public. At the same time, the new site will designed to begin building long-term engagement with targeted audience segments to give them the information they are seeking now and establish a relationship so they are poised to sign on once enrollment opens.

- Continuing presentations to stakeholder groups. To date, Exchange and Commerce staff have presented to over 80 groups representing a variety of constituencies, including business associations, community groups and health care professionals.

- Statewide town hall meetings are being planned for winter and spring 2012-2013. These forums will allow staff to educate consumers about the Exchange while at the same time serving as an opportunity to engage with consumers by gathering their ideas and suggestions for building an Exchange that answers their needs. The meetings will take place in rural, suburban and urban parts of Minnesota and a number will be streamed online and recorded.

- Exhibited in the HealthFair 11 area at the Minnesota State Fair. Over 300,000 Minnesotans visited HealthFair 11, while staff had meaningful conversations with more than 2,600 Minnesotans who stopped by the booth to ask questions and gather information.

- Completed market research to help inform a public communications and outreach campaign. The insights gained are proving extremely helpful in formulating not just marketing strategies, but planning for SHOP and for the navigator/assistor program. The 125-page report is posted on the Exchange website. (http://mn.gov/commerce/insurance/images/ExchReportPubEducation-Outreach8-12.pdf)

- Working with a public relations vendor to help develop a strategic public relations and social media plan, as well as develop key messaging.

Navigators and Agents/Brokers

Minnesota has created a Navigator, Agent and Broker work group that focuses on options for navigators, agents and brokers to assist individuals, small employers and employees seeking health insurance coverage through the Minnesota Health Insurance Exchange. The work group members consist of a broad selection of stakeholders including a consumer, small employer, health insurer, navigator, agents/broker, provider, county representative, tribal representative as well as state agency and legislative staff. In December 2011, the work group presented the Exchange Advisory Task Force an initial list of recommendation to ensure that consumers and businesses served by a Minnesota Exchange receive the necessary assistance to complete the application and enrollment process. The Exchange Advisory Task Force adopted the work group's proposed recommendations in their January 2012 meeting. The work group recently presented recommendations regarding levels of service and training/certification/licensure to the Task Force at the October 2012 meeting, and recommendations

regarding compensation are scheduled to be presented in November 2012. All work group materials are available on the Exchange website.

Tribal Consultation
Minnesota has created a Tribal Consultation work group that consists of state agency representatives and Tribes throughout the state. Minnesota has tribal consultation policies signed by four Tribes. In addition, tribal representatives participate as formal members of the Advisory Task Force and multiple work groups.

Customer Service
Minnesota is in the process of working with consultants to assess customer service functionality for the Exchange. This work includes an assessment of the functional customer service needs of the Exchange, documenting existing resources that can address some of these needs and examining options for operations. Exchange staff are also collaborating with the Department of Human Services to assess how existing call center operations can be coordinated and integrated into the operational plan.

Long –Term Operational Costs
Minnesota has developed work plans and structures to support the scope of financial activities of the Exchange. Grant management, procurement, financial management, and internal controls for the Exchange planning and establishment grants currently follow the State of Minnesota's financial and accounting process and procedures of Minnesota Management and Budget.

A Finance work group has been created to provide technical assistance and information on options related to the ongoing financing of a Minnesota Health Insurance Exchange. The Finance work group presented initial options for consideration by the Exchange Task Force in late December 2011. The Exchange Task Force included recommendations related to the ongoing financing of an Exchange in their January 2012 report. The work group recently presented additional recommendations regarding ongoing funding options to the Health Insurance Exchange Advisory Task Force in October 2012. All work group materials are posted on the Exchange website. Minnesota has also worked with Wakely consulting to develop budget estimates through 2014 that provide baseline budget estimates for ongoing operational costs.

Program Integration
Interagency Agreements and Work Groups
Since August 2011, an interagency agreement has been signed and routinely updated between the Exchange and the Minnesota Department of Human Services that reflects joint activity between the Exchange and the modernization of the Eligibility and Enrollment Systems at Department of Human Services. Specifically, the interagency agreement outlines: 1) the cost allocation methodology and billing and payment procedures for Medicaid activities; 2) collaborative efforts for Federal Reviews and APD processes 3) efforts for a joint RFP for Independent Verification and Validation; and agreement to streamline eligibility and enrollment for all Insurance Affordability Programs.

In addition, the Minnesota Departments of Health and Commerce are in the process of developing an existing interagency agreement to reflect the respective roles of the two agencies in the Qualified Health Plan (QHP) certification, recertification and decertification process. An interagency work group, facilitated by Exchange staff and composed of staff from the Departments of Health and Commerce meets regularly to outline duties, process flows and responsibilities.

Minnesota has also created a new interagency structure to effectively execute design, development and implementation activities for the Minnesota Exchange that involves multiple state agencies. This new structure will create an efficient process for decision making and issue resolution as well as establish clear communication, coordination, project management and documentation mechanisms. This new structure includes Commissioners and staff from a number of Minnesota state agencies including Minnesota Management and Budget, the Departments of Human Services, Health, Commerce, Administration and MN.IT. This new structure includes an Interagency Subcabinet made up of agency Commissioners, a Steering Committee/Contract Committee, a Technical Architecture Committee, Business Architecture Committee and a Solution Architecture Committee that will bring together both business and technical aspects of Exchange design and development. Reporting through to these committees are a series of work groups that will include representatives from all applicable state agencies:

- Eligibility work group
- Enrollment work group
- Plan/provider management work group
- Legal/compliance work group
- SHOP work group
- Customer service work group
- Finance work group
- Information architecture work group
- Integration architecture work group
- Infrastructure work group
- Security work group

Business Operations of the Exchange

Minnesota has developed and will continue to modify and update detailed work plans, timelines and budget estimates through 2014 on a routine basis related to business operations and Exchange functions.

Plan Management

In Minnesota, the Commissioner of Commerce has statutory authority to enforce Minnesota's insurance laws and the Commissioner of Health has authority over HMOs. To avoid duplication of regulatory responsibilities and to capitalize on existing regulatory expertise, the certification process will be conducted by the existing regulatory structures within the Departments of Commerce and Health. The Departments of Commerce and Health have released a joint regulatory bulletin specifying the requirements and process for filing plans and rates for certification for the Exchange. The process flows will be facilitated by the State Electronic Rate and Form Filing (SERFF) system. The Minnesota Exchange has also released guidance to insurers on plan certification requirements to comply with Minnesota Law.

Quality

In October 2012, Minnesota entered into a contract with Consumers' CHECKBOOK to develop a quality rating system for the Exchange marketplace. Consumers' CHECKBOOK will develop a methodology that measures health plan quality and enrollee satisfaction, thus placing critical information in front of the consumer so they can make informed choices for their health care. Consumers' CHECKBOOK is an independent, nonprofit consumer organization founded in 1974. They have significant background and

expertise in helping consumers understand complex options across an array of services, and have developed a health plan comparison tool for federal employees.

As noted previously, Minnesota has also created a Measurement and Reporting work group that was designed to focus on options for the reporting of cost, quality and satisfaction for health insurers, benefit plans and providers through a Minnesota Health Insurance Exchange. The group consists of consumer, small and large employer, health insurer and provider (physician clinics and hospitals) representatives as well as agency staff and measurement and reporting experts. Consumers' CHECKBOOK will bring methodological options to the Measurement and Reporting Work Group for consideration, and work in concert with the work group on designing recommendations to advance to the Advisory Task Force.

Financial Management
Minnesota follows legally prescribed procurement policies and procedures and as such has executed contractual and outsourcing agreements with vendors and other State and Federal agencies in compliance with State and Federal law. Legal counsel is involved in all contracts and agreements to ensure full compliance with State and Federal law. Exchange staff have worked with multiple state agencies to perform an initial assessment of internal controls and create compliance procedures for the Exchange. Exchange staff are also coordinating with the Department of Human Services to develop controls and compliance for the proper allocation and uses of Medicaid funding.

Exchange staff have worked with the Commerce Department Chief Financial Officer to identify finance, accounting and financial grant management roles and responsibilities between the Exchange and Commerce Financial Management. This includes federal financial reporting, budgeting, procurement, invoice approval and processing and cost allocation implementation.   Cost allocation implementation is based on a cost allocation methodology, which has been approved via the grant application and in coordination with the Department of Human Services and CMS APD process.

In addition, the Exchange is participating in a statewide RFP for an e-payment partner. Exchange staff also work regularly with staff at the Minnesota Department of Human Services and are currently discussing the possible use of an established receipt center for checks and cash.

Eligibility and Enrollment
Documentation of eligibility policy requirements for Insurance Affordability Programs started in July 2011 and is ongoing. The Exchange has leveraged existing subject matter experts and policy expertise at the Minnesota Department of Human Services in the documentation of the Insurance Affordability Programs (IAP) eligibility policy requirements. Staff continue to analyze and document IAP eligibility policy to identify and resolve policy gaps and to escalate policy issues for decisions as needed.

As referenced above, the new Minnesota Health Insurance Exchange Interagency Structure includes both an Eligibility and an Enrollment work group:

- **Eligibility:** This group addresses issues of streamlined eligibility determination for premium tax credits and Medicaid, continuity of care and coordination of benefits for individuals moving between public and private coverage and families with members enrolled in public and private coverage, and effective account/case management services for these individuals and families. This work group is specifically responsible for Maximus contract module 1 and portions of module 7 (including eligibility, exemption, and account/case management) and blueprint

sections 3, except portions of 3.3, 3.4, 3.6, 3.11, and 3.12 and portions of section 3.0 related to SHOP.

- **Enrollment:** This group addresses issues related to health plan enrollment for private and public health insurance. This work group is specifically responsible for Maximus contract module 2 and blueprint section 3.12.

Design Reviews

To date, Minnesota has completed three establishment reviews that are part of the Federal Enterprise Life Cycle Design Review process for Exchange IT Infrastructure. These reviews were conducted jointly with the Exchange and our Medicaid agency to facilitate a streamlined review process with CCIIO for gate reviews and CMS for the APD process.

- (1) Architecture and (2) Project Baseline review, November 2011: This meeting included discussions about Minnesota's modular IT development strategy, IT RFP status update, project management, development lifecycle, design considerations, current and proposed systems and performance measures.
- (3) Design Review, May 2012: This two-day meeting covered a wide range of topics including governance, organizational structure, project management, plan management and quality, eligibility and enrollment, SHOP, risk adjustment and reinsurance, re-use and interoperability, consumer and stakeholder engagement, financial management, finance and accounting, systems design, security and contingency.

IT Gap Analysis and Exchange IT Systems

On July 16, 2012, Minnesota announced the execution of a $41 million dollar contract with Maximus, Inc. to design and develop the technical capabilities, including a consumer friendly website, for Minnesota's health insurance exchange and Medicaid systems modernization. The contract with Maximus covers the development of technology supporting various functions that a health insurance exchange needs to perform. Those functions include individual eligibility determination and enrollment, small employer eligibility and enrollment, certification and display of health benefit plan options and costs, navigator and agent/broker listing, display of health care provider information, premium aggregation and payment and account administration. Further, a State-mandated project risk analysis was conducted and a Risk Management Plan developed.

The contract also includes major technology improvements to Minnesota's Medicaid systems to provide streamlined eligibility determinations, to enhance customer service and case management capacity, and to promote ongoing program integrity. In addition, the new technology system will allow the Department of Health to provide quality information on quality measures and provider peer grouping. Finally, the technology will help the Departments of Health and Commerce to fulfill their roles as the certifier of Qualified Health Plans.

This contract covers the development of technology supporting various functions for a Minnesota-made health insurance exchange:

- individual eligibility determination and enrollment in health plans
- small employer and employee choice of health plan options
- certification and display of health benefit plan options, quality, and costs
- agent/broker and navigator listing to provide customer assistance
- display of health care provider information

- premium payment and aggregation
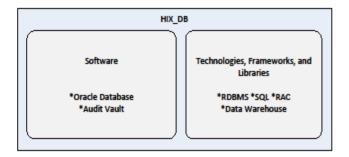- account administration

The signing of the contract comes after a year-long process. A Request for Proposals was issued in June 2011 for prototypes to evaluate technical options and costs for an Exchange. The RFP was a two-stage "proof of concept" approach. Stage II vendors for the IT RFP were selected in October 2011 and awarded stipends to create prototypes and detailed cost, work plan and timeline proposals. In December 2011, sample modules from vendors seeking to build the IT infrastructure for the Exchange were made available to the public. Public feedback was documented and used in the evaluation assessment of the vendor's proposal.
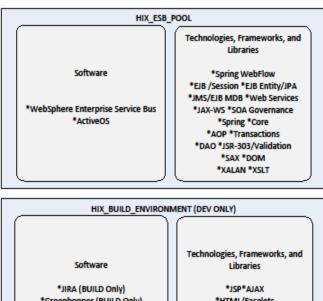
IT Gap Analysis
The original Exchange gap analysis of June 2011 was updated in January and May of 2012. Since May, planning with the vendors has been conducted to address the infrastructure gap. An opportunity to leverage extension of existing infrastructure in a MN.IT data center has been identified. Outcomes from the analysis sessions have produced projected environments that are depicted here as representatives of the targeted technical frameworks.

HIX_PRESENTATION_POOL

Software

*IBM HTTP Server
*WebSphere Application Server plug-in
*Oracle WebGate

Technologies, Frameworks, and Libraries

*HTML

Enterprise MN.IT Standards, Systems, Tools, and Development Frameworks

HIX_APPLICATION_POOL (Includes Filenet)

Software

*WebSphere Application Server
*ActiveOS
*Filenet
*JIRA (BUILD Only)
*Greenhopper (BUILD Only)
*Confluence (BUILD Only)
*RMSis (BUILD Only)
*Rational License Server (BUILD Only)
*SVN (BUILD Only)
*Maven (BUILD Only)
*Jenkins (BUILD Only)
*Apache JUDDI (BUILD Only)
*Apache Tomcat (BUILD Only)
*Apache Ant (BUILD Only)

Technologies, Frameworks, and Libraries

*JSP *AJAX
*HTML/Facelets
*Spring WebFlow
*Swing
*EJB /Session *EJB Entity/JPA
*JMS/EJB MDB *Web Services
*JAX-WS *SOA Governance
*Spring *Core
*AOP *Transactions
*DAO *JSR-303/Validation
*SAX *DOM
*XALAN *XSLT

HIX_DB

Software

*Oracle Database
*Audit Vault

Technologies, Frameworks, and Libraries

*RDBMS *SQL *RAC
*Data Warehouse

HIX_ESB_POOL

Software

*WebSphere Enterprise Service Bus
*ActiveOS

Technologies, Frameworks, and Libraries

*Spring WebFlow
*EJB /Session *EJB Entity/JPA
*JMS/EJB MDB *Web Services
*JAX-WS *SOA Governance
*Spring *Core
*AOP *Transactions
*DAO *JSR-303/Validation
*SAX *DOM
*XALAN *XSLT

HIX_BUILD_ENVIRONMENT (DEV ONLY)

Software

*JIRA (BUILD Only)
*Greenhopper (BUILD Only)
*Confluence (BUILD Only)
*RMSis (BUILD Only)
*Rational License Server (BUILD Only)
*SVN (BUILD Only)
*Maven (BUILD Only)
*Jenkins (BUILD Only)
*Apache JUDDI (BUILD Only)
*Apache Tomcat (BUILD Only)
*Apache Ant (BUILD Only)

Technologies, Frameworks, and Libraries

*JSP *AJAX
*HTML/Facelets
*Spring WebFlow
*Swing
*EJB /Session *EJB Entity/JPA
*JMS/EJB MDB *Web Services
*JAX-WS *SOA Governance
*Spring *Core
*AOP *Transactions
*DAO *JSR-303/Validation
*SAX *DOM
*XALAN *XSLT

Other changes that have occurred are listed below:

The Minnesota Department of Human Services Since the original gap analysis, the Department has issued a Planning Advanced Planning Document (PAPD) for the DHS Enterprise Systems Modernization Strategy. The PAPD focuses on: 1) planning efforts to improve and update the IT systems that handle Eligibility and Enrollment; 2) conducting a gap analysis to insure that all systems impacted by the ACA rules are appropriately modified; and 3) planning for an Integrated Human Services Delivery system. The Department has also issued an Implementation Advanced Planning Document (IAPD) for the coordination of Medicaid activities with the Minnesota Exchange, focusing on determining eligibility for Minnesota health care programs through a single set of processes using a single system. There has also been some updating of the IAPD (via IAPDU) to account for modified budget activities. The planning efforts are being conducted in conjunction with the Exchange planning and related design reviews.

The Minnesota Department of Commerce The Department of Commerce has been working with the National Association of Insurance Commissioners (NAIC), along with other states, on SERFF system modifications for regulatory processing. Efforts are also underway to study Vertafore's SIRCON tool for broker registration.

The Minnesota Department of Health Efforts continue to incorporate quality information produced by the Department with data being displayed by the Exchange to end users.

The Minnesota Information Technology Services Agency: The first environment installations were conducted during the fall of 2012 and consist of environments for reference, build, development and testing. Other environments have been initially configured and are being evaluated for final configuration. These efforts will be coordinated between the Exchange, Department of Human Services, and Maximus as the vendor providing the Exchange Solution. Staff also continue to evaluate the new infrastructure required to produce the Exchange Solution by Maximus.

Establishment Reviews
To date, Minnesota has completed three establishment reviews that are part of the Federal Enterprise Life Cycle Design Review process for Exchange IT Infrastructure:
- (1) Combined Architecture and (2) Project Baseline Review, November 2011: this meeting included discussions about Minnesota's modular IT development strategy, IT RFP status update, project management, development lifecycle, design considerations, current and proposed systems and performance measures.
- (3) Design Review, May 2012: this two-day meeting covered a wide range of topics including governance, organizational structure, project management , plan management and quality, eligibility and enrollment, SHOP, risk adjustment and reinsurance, re-use and interoperability, consumer and stakeholder engagement, financial management, finance and accounting, systems design, security and contingency.

All reviews were done collaboratively with the Minnesota Department of Human Services and MN.IT and were coordinated with submission of a PAPD/IAPD for the Enterprise Systems Modernization Strategy for the MAGI Medicaid portion of eligibility and enrollment. The joint reviews were conducted to describe Minnesota's Exchange IT infrastructure vision and explain the seamless coordination and integration between the Exchange and Medicaid.

Coordination
Because of a number of similarities in the technical design of Exchanges, Minnesota is working very closely with the State of Maryland to coordinate efforts. This will prove to be a valuable exercise in collaboration that will allow both states to learn from each other and to avoid duplication of efforts.

Minnesota has been asked to participate in Early Innovator sub-workgroups that convene regularly to discuss technical topics related to establishing an Exchange. These work groups cover such topics as connection and interaction with the Federal Services Hub, creation and execution of test scenarios of business processes within an Exchange, support and ideas that can be shared amongst the States, Exchange systems and related security, and activities related to health plan display and or selection by users.

Minnesota has also elected to participate in the UX 2014 project, sponsored by the California HealthCare Foundation and several other national and state health care philanthropies. The project focuses on

researching components of a "best-in-class" user experience for an Exchange. Related to UX2014, Minnesota is also participating in the Consumer Decision Support Rules for Health Exchanges (consumer choice) which is sponsored by the Pacific Business Group on Health (PBGH).

Reuse, Sharing and Collaboration

Minnesota is focused on collaborating and sharing with other states and the federal government as much as possible. For example, Minnesota staff participate in a number of federal user groups to provide feedback and exchange information, including:

- CMS State/Federal Application work group
- Coverage Expansion Learning Collaborative
- Monthly Exchange Communicators
- Federal Data Services Hub Technical Work group

- Test Scenario Work group
- Early Innovator Learning Collaborative
- State Exchange System Security Group
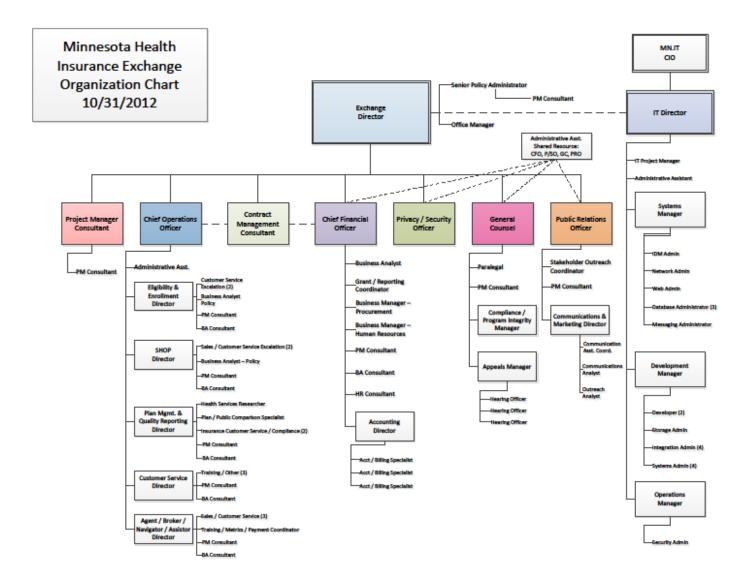- Health Plan Work group

Minnesota participates in a number of other forums that facilitate state collaboration including State Refor(u)m, UX2014, Exchangers, RWJF State Network, Pacific Business Group on Health and Consumers Union. Minnesota also regularly shares documents that might be of value to other states on CALT.

Minnesota has engaged in various forms of information gathering and sharing with a number of other states, including Washington, Massachusetts, Utah, Oregon, Maryland and Rhode Island, on a variety of topic areas including communications and marketing, project management, plan management, SHOP, customer service, grant management, financial operations and provider network data collection. Specifically, Minnesota is working very closely with the state of Maryland to coordinate efforts on the design and development of the technical infrastructure of the Exchange.

Organizational Structure

In the aforementioned letter by Governor Dayton, the Commissioner of Minnesota Management and Budget was recently directed to provide leadership for Exchange design and development activities working with the Commissioners of Commerce, Human Services, Health, Administration, and MN.IT. Accordingly, Exchange design and development activities have taken place through multi-agency collaborative agreements.

In the first level one grant award, Minnesota requested funds to hire senior level leadership to provide management and strategic direction for Exchange activities. In subsequent level one grant requests, Minnesota requested additional funds to hire additional staff to develop and document business requirements, processes, and work flows for Exchange functional components. See the below existing organizational chart:

Minnesota Health Insurance Exchange Organization Chart 10/31/2012

Program Integrity

Exchange staff have worked to establish a Program Integrity Framework for the Exchange. The Exchange will be using the COSO framework approach to program integrity. This will include creating a control environment, risk assessment, control activities, information and communication systems and monitoring process. Exchange staff will also work with the Office of the Inspector General at the Department of Human Services to ensure that all Medicaid-related program integrity requirements are fully met. Risk mitigation strategies will be developed for ensuring financial integrity, oversight and prevention of fraud and abuse. These activities will ensure compliance with all federal reporting requirements and quality controls. Exchange staff will also coordinate with the Department of Human Services and the State Project Management Office in identifying, studying and planning appropriate risk mitigation strategies.

Minnesota also worked with Wakely Consulting Group to draft an Internal Controls Blueprint related to Exchange design and development activities. The Blueprint provided a number of recommendations regarding best practices in designing and developing an internal control system to prevent and detect fraud, waste and abuse in a state-based Exchange. In the Blueprint, Wakely Consulting Group looked at ACA and other health care related laws and identified private market best practices in designing and developing a system of internal control.

Affordable Care Act Requirements

The Minnesota Departments of Health and Commerce have worked together collaboratively to implement ACA provisions related to health insurance market reforms and rate review. The Minnesota Department of Commerce was already conducting rate reviews prior to passage of the ACA and has updated its practices to align with federal requirements. For example, the Department of Commerce has made ACA rate increase justifications accessible on its website. The Minnesota Departments of Commerce and Health have also incorporated other market reforms enacted to date into their regulatory practices and have communicated with carriers about these reforms through bulletins. These bulletins are available on the Department of Commerce website.

SHOP

Minnesota has a number of sources of data on the small group insurance market. They include the bi-annual Health Access Survey conducted by the Minnesota Department of Health, the analysis done by Gruber-Gorman and the results of the Salter-Mitchell market research survey noted previously.

Minnesota has convened a Small Employer and Employees work group composed of small employers, brokers, insurers, consultants, unions and consumer representatives. The work group provides technical assistance and information on the options related to coverage choices, services, processes and assistance for small employers and employees through a Minnesota Exchange. The work group has examined a number of issues including SHOP requirements, the current small group market in Minnesota, premium calculator requirements, integration of tax-advantaged vehicles in SHOP and potential additional services the Exchange can offer to employers. The work group has met a number of times to date and will present a report to the Advisory Task Force in November 2012.

Lastly, the Exchange has included a number of functional requirements in the signed technical infrastructure contract focusing on the small group insurance market, including requirements that are intended to facilitate a streamlined enrollment, plan selection and payment process. Functionalities

include support for employer and employee choice enrollment models, payment aggregation and integration with broker/navigator support.

B. <u>Proposal to Meet Program Requirements</u>

Current Pathway

Minnesota plans on establishing a State Based Exchange to be ready for open enrollment in the fall of 2013, including a consumer-friendly website portal with fully functioning eligibility and enrollment capabilities, operational call center, SHOP Exchange, premium aggregation services, an established broker/navigator program, available and consumer-friendly health plan comparison information including quality and AV calculator, operational account management functionalities and accompanying marketing and outreach activities. As noted previously, Minnesota has completed three design reviews to date and will submit a Blueprint certification application by November 16, 2012.

Strategy to Complete Exchange Activities

Minnesota plans on establishing a State Based Exchange fully operational for open enrollment in fall 2013. In planning for this goal, Minnesota has created a number of strategies in order to be ready to operate, below are descriptions of each activity area as referenced in Appendix A of the FOA:

Legal Authority and Governance: Governor Dayton has stated that he prefers to work with the Legislature early in the 2013 legislative session to pass legislation establishing a governance structure for Minnesota's Health Insurance Exchange. The Governor has asked legislators to work with him to create a public/private partnership as a governance structure that would include a board comprised of members from the public and private sectors. This structure gives Minnesota the flexibility to capitalize on the strengths of private sector expertise and also allow the state to use the Exchange for public health care programs like Medical Assistance, saving Minnesota money and streamlining eligibility and enrollment.

Consumer and Stakeholder Engagement and Support: Minnesota is committed to developing a Minnesota Exchange that is informed by a variety of stakeholders throughout the process. To that end, Minnesota has created an Advisory Task Force and numerous technical work groups that are all open to the public, to gather input from the public. In addition, Minnesota has issued a variety of communications and Requests for Comment to provide information and solicit feedback on proposed rules and guidance and inform the official State responses to HHS. Minnesota is also committed to designing and developing a strategy to engage and inform the public on Exchange activities, provide multiple avenues for assistance, and engage business partners. Minnesota is requesting grant funds to continue funding staff in areas including customer service, communications and marketing, outreach, stakeholder relations and Navigator and Agent/Broker program. Grant funds are also requested for contracts including consumer assistance training on cost/quality metrics, consumer testing of the Exchange, study on consumer plan choice display options, customer service, training curriculum development, appeals, graphic design, outreach and communications, and advertising and branding.

Eligibility and Enrollment: Minnesota is committed to the "no wrong door" streamlined eligibility and enrollment philosophy through all elements of Exchange design activities to ensure that all consumers have the same experience regardless of their coverage type. Minnesota Exchange activities are occurring in close collaboration with the Minnesota Department of Human Services and MN.IT on

efforts related to Medicaid and Advanced Premium Tax Credit eligibility. Minnesota is requesting grant funding for staff and resources related to eligibility determination and enrollment activities. Minnesota is also requesting grant resources for eligibility assistance and outreach contracts.

Plan Management: Minnesota is focusing on updating existing state plan management systems at the Minnesota Departments of Commerce and Health to meet the requirements of the ACA. Minnesota will use existing regulatory entities for plan certification and the SERFF system for the plan certification process. Stakeholders are being regularly engaged in these activities through work groups, carrier meetings, and regular public communications. Minnesota is requesting grant resources for staff related to plan management and measurement and staff augmentation for regulatory services at the Departments of Commerce and Health.

Risk Adjustment and Reinsurance: Minnesota has chosen not to operate a state-based risk adjustment program for 2014 or 2015. The Exchange may revisit this decision in future years. The Exchange requests the U.S. Department of Health and Human Services (HHS) to administer the federal risk adjustment program for Minnesota. Minnesota has also chosen not to operate a state-based reinsurance program. The Exchange requests that HHS administer the federal reinsurance program for Minnesota. Minnesota is not requesting any grant funding for this activity area at this time.

SHOP: Minnesota is committed to creating a SHOP that provides valuable services to small employers in Minnesota. Current efforts include working closely with vendors on the IT design and build of this component. Stakeholders are also being consulted through a number of mechanisms to ensure full engagement, including the Small Employer and Employees work group and Health Insurance Exchange Advisory Task Force. The Small Employer and Employee work group is scheduled to report back to the Exchange Advisory Task Force in late November 2012. Minnesota is requesting grant funds for staffing for small employer eligibility and enrollment.

Organization and Human Resources: Minnesota Exchange design and development activities are currently being led by Minnesota Management and Budget. As such, the Exchange is able to utilize existing state processes and procedures. Minnesota is also committed to creating an Exchange that works for all Minnesotans and as such is coordinating with other state agencies to the greatest extent possible. Minnesota is requesting grant funding for Exchange staff and equipment costs for basic office needs.

Finance and Accounting: Because Minnesota development and design activities are proceeding within Minnesota Management and Budget, Minnesota Exchange activities are able to utilize existing state resources and grant monitoring processes and procedures. These efforts are ongoing and updated as needed. In addition, Exchange staff have developed and implemented a process for invoicing the Department of Human Services for cost allocated items and have completed an assessment of the state SWIFT IT system for adequacy for Exchange activity. Minnesota is developing and implementing IT and operating solutions for premium processing with identified partners. Further, the Exchange has established internal controls and oversight mechanisms, including procedures to test compliance and detect fraud and third party review of all systems to ensure ongoing monitoring of internal controls. Minnesota is requesting grant resources for financial management staff and contract costs for premium billing and collection services.

Technology: Minnesota is committed to developing an Exchange that is consumer-friendly, easy to use and accessible, and fosters fair and equitable competition in the health care system. The Minnesota

Exchange will seamlessly support private and public health care coverage options to individuals and small businesses. To accomplish these goals Minnesota is working closely with vendors, state agencies and other states to leverage existing efficiencies and expertise. Minnesota's IT infrastructure is modular in nature to encourage a best in class solution. Minnesota is requesting grant resources for IT staff costs, IT consultant contracts, hardware, software, contract costs for annual maintenance for the Exchange modules, security training, and data center hosting fees.

Privacy and Security: Protecting privacy and security of Exchange users is a paramount focus of all Exchange design and development activities. Users of the Exchange must feel confident that their personal information is safe and secure to ensure trust and accountability in the new online marketplace. Minnesota has included detailed privacy and security requirements in the recently announced IT contract and is working closely with agency partners and vendors to make certain all federal privacy and HIPAA laws are followed. Minnesota is requesting grant funds to hire a Chief Security Officer.

Oversight, Monitoring and Reporting: Minnesota is designing an Exchange that is accountable to the people of Minnesota. Minnesota is dedicated to ensuring prevention of waste, fraud and abuse at every level of Exchange design and development activity. Current efforts have included working with existing State Agency resources devoted to these issues and with outside resources with vast experience in this arena. Minnesota will continue to monitor and report on all areas of waste, fraud and abuse prevention and will continue to update standards as new best practices become available. Minnesota is requesting grant funding for an Internal Audits/Program Integrity Manager and enforcement staff at the Department of Commerce.

Strategy to Address Early Benchmarks

Gap Analysis of Existing Services: Minnesota has explored existing structures within the state and identified areas for possible integration and cost effectiveness. For example, the Exchange is working closely with the Departments of Human Services, Commerce, Health and MN.IT to utilize and build on existing IT systems to develop an Exchange IT infrastructure that is efficient and cost effective. In addition, Exchange staff are working closely with agency partners in areas such as customer services, banking, call centers, QHP certification and provider network information to develop an Exchange that meets all Blueprint requirements while also capitalizing on existing resources.

Plan Management: Minnesota will be using existing regulatory entities for plan certification and the SERFF system for the plan certification process. Minnesota is coordinating closely with a variety of agency and stakeholder partners to develop a plan management system that best serves the needs of Minnesota. These efforts include various interagency work groups and stakeholder work groups. The Exchange is also coordinating with other state agencies to build on existing state data sources to integrate into the Exchange, including Minnesota Department of Health quality metrics for hospitals and clinics and provider network data collection. In addition, Minnesota is continually learning about and staying abreast of national work on plan choice architecture, including work by the Pacific Business Group on Health and Consumers Union.

Financial Management: Minnesota is utilizing existing state processes and procedures to ensure adequate financial management of grants and current accounting systems for grant accounting. In addition, Exchange staff have developed and implemented a process for invoicing the Department of Human Services for cost allocated items and have completed an assessment of the state SWIFT IT system for adequacy for Exchange activity. Minnesota is developing and implementing IT and operating

solutions for premium processing with identified partners. Further, the Exchange has established internal controls and oversight mechanisms, including procedures to test compliance and detect fraud and third party review of all systems to ensure ongoing monitoring of internal controls.

Eligibility and Enrollment: In order to achieve single streamlined eligibility and enrollment, it is imperative for the Exchange team to work in close coordination with the Minnesota Department of Human Services. Minnesota Exchange staff coordinate regularly with Medicaid staff, including multiple weekly meetings, shared participation in monthly calls with CMS and joint APD/gate reviews.

Consumer Engagement and Support: Minnesota understands the importance of engaging stakeholders regularly and often throughout the design and development of a Minnesota Exchange. As such, Minnesota has created an Exchange Advisory Task Force, multiple technical work groups, weekly listserv notices and, a regularly updated website and coordinates regularly with other efforts as appropriate including Governor Dayton's Health Care Reform Task Force and accompanying work groups.

Appeals: In order to create an appeals process for the Minnesota Exchange that is established and appropriate for Exchange activity, Minnesota Exchange staff have been coordinating closely with other agencies to leverage and learn from existing appeals processes and infrastructure where appropriate. Work is underway to develop a seamless interaction between the Exchange and Medicaid for appeals. This grant request includes staffing resources devoted to appeals process development.

IT Gap Analysis: As referenced previously, Minnesota has made significant progress assessing existing IT infrastructure and cross referencing with future needs. The IT Gap Analysis has been an ongoing coordinated effort with other state agencies including the Departments of Human Services, Health, and MN.IT. This work, which has included assessment of OTS software, has and will continue to inform all technical design components of the Exchange IT build. Gap analysis between required and desired Exchange functionality and a reference installation of the vendors' core software components has also been conducted.

Actuarial and Market Analysis: As referenced previously, in March 2011 Minnesota entered into a contract with Dr. Jonathan Gruber and Gorman Actuarial to understand the requirements, options, costs and coverage impacts of an Exchange. The purpose of the modeling was to project Exchange enrollment and estimate the impact of insurance market and public program changes. Final results were released in April 2012. In March 2012, Minnesota extended existing contracts with Dr. Jon Gruber and Bela Gorman to update existing modeling results as more up-to-date information becomes available. Updated results will be available later this fall. This ongoing actuarial analysis and economic forecasting of risk mix and volume of individual, Medicaid, and small group enrollment will assist in estimating service and financing needs.

In addition, Minnesota contracted with Salter Mitchell to perform market research that will allow for a better understanding of communications, public awareness and engagement strategies that will be most effective in educating Minnesotans about an Exchange. Preliminary results were released in July 2012 and were shared with work groups and the Advisory Task Force.

Stakeholder and Tribal Consultation: Minnesota is dedicated to involving stakeholders in every possible way in the design and development of a Minnesota Exchange. These ongoing efforts include an Exchange Advisory Task Force, multiple technical work groups, a public website and listserv. Tribal governments have also been consulted regularly via an interagency Tribal Consultation work group and

a number of tribal representatives participating on the Advisory Task Force and multiple work groups. Minnesota also has signed tribal consultation agreements with four tribes.

Long-term Operational Costs Analysis: Minnesota has worked with other states and Wakely Consulting to develop model projections for long-term operational costs. These projections were discussed and evaluated by the Financing work group and the Exchange Advisory Task Force this fall. Results from this analysis and an estimated budget for 2014 through 2016 will be submitted in Minnesota's Blueprint application.

Proposed Solution for Exchange IT Systems

The Minnesota Exchange IT System Solution will be an independent application that is comprised of modular components that will integrate with other supporting systems. The Solution will be hosted on infrastructure supported by members of the Minnesota Information Technology Services (MN.IT services). The same staff is engaged in activities to supplement the current infrastructure with additional components that will be needed by the proposed Exchange solution. This infrastructure supplement is part of the update to the Gap Analysis.

The Minnesota Exchange will contain components from commercial off the shelf (COTS) products as well as configured and custom solutions. IBM's Curam Software product will be utilized for individual eligibility determinations, case management, and user account administration. Connecture Incorporated's StateAdvantage product will help process enrollments, small business participation, and insurance plan and provider displays. Products from EngagePoint will provide integration services as well as financial management for billing, aggregation and reconciliation of payments. The Exchange will also connect with the National Association of Insurance Commissioners (NAIC) System for Electronic Rate and Form Filing (SERFF) for plan certification. Information from the Minnesota Department of Health's quality data and provider peer grouping efforts will also help with consumer plan choices. Efforts will also include custom solutions for required functionality and uniformity. Uniformity will also be supported by results from other related projects such as the Pacific Business Group on Health's Consumer Choice project and the UX2014 user experience project. Results from the UX2014 project are expected to be used to help create a common look and user experience for participants of the Minnesota Exchange.

Additional opportunities exist to enhance not just the Minnesota Exchange, but related activities and systems. For example, the Department of Human Services is planning to use the Curam software platform for all public health care programs. The Department of Human Services is also exploring opportunities to connect other human services to the software platform in the future. The Exchange will also display quality data provided by the Health Department. Within the Exchange, this quality information will be linked to plans via clinics and providers for display with chosen health plans. Efforts are also underway to allow the Exchange to display this quality information in a standalone format for users to view directly. Additional efforts will also enhance the operational functionality between the Exchange and other systems. For example, not only will the SERFF system provide the means for regulatory staff to conduct their statutory duties and to certify qualified health plans, but it may also serve as the entry point for Medicaid plans' information to be displayed on the Exchange. Integration activities with the Federal Services Hub and other State data sources for eligibility (e.g., quarterly wage data) are also under development.

IT Seven Standards and Conditions

1. **Modularity** – Minnesota has developed its Exchange in a modular fashion from the start. The vision for the recently signed IT Exchange contract was seen as modular components that could be provided by multiple solutions. The modules include: eligibility, enrollment, SHOP, plan and broker/navigator management and display, provider display, fund aggregation and account administration. Minnesota is also utilizing other modular components to help support its Exchange. These other efforts range from the use of the National Association of Insurance Commissioner's (NAIC) System for Electronic Rate and Form Filing (SERFF) for insurance plan certification to the Minnesota Department of Health's quality data information to help with consumer choices. With any modular approach, integration between modules is paramount to the success of the system. Minnesota is undertaking a number of measures to ensure success by utilizing standards and requiring interoperability methodologies for the interactions of these modules. Requirements are also being put into place to make certain the user experience is streamlined and without gaps between the modular components.

2. **Medicaid Information Technology Architecture (MITA) alignment** – Minnesota is developing the Exchange in a coordinated fashion with the Minnesota Department of Human Services and MN.IT (the State's central IT Agency) to ensure full MITA alignment. To ensure alignment, Minnesota is following and practicing System Development Life Cycle (SDLC) activities as well as aligning with other architecture guidance standards. All IT vendors working on this project are required to follow MITA practices.

3. **Leverage and reuse within and among States** – Minnesota is fully committed to leveraging existing resources within the State and with other states. Exchange staff have worked very closely with the Minnesota Department of Human Services and MN.IT throughout the technical development process. Minnesota is also working closely with the State of Maryland to coordinate efforts relating to a number of Exchange development components, including technical infrastructure. Minnesota has worked with multiple Early Innovator states on workgroups such as the Federal Data Services Hub Technical Work group, Test Scenario Working Group, Early Innovator Learning Collaborative, State Exchange System Security Group, and the Health Plan Work group.

4. **Industry standard alignment** – Minnesota and its private sector IT vendors are aligning with industry standards, specifically those recommended in ACA Section 1561 and CMS guidelines. Minnesota is also following best practices standards in multiple other areas such as security, project management and accessibility. All technical contracts have sections stating the Minnesota and project requirements for development activity.

5. **Support of business results** – Minnesota Exchange development activities are being driven by business needs and requirements, including regular interaction with a variety of stakeholders.

6. **Reporting** – Minnesota is designing an IT solution for the Exchange that satisfies all state and federal reporting requirements. Standard project management methodologies are being practiced following PMBOK guidelines which support these reporting requirements.

7. **Seamlessness and interoperability** – Minnesota is focused on designing an Exchange that provides a streamlined and uniform user experience. The modular components are being integrated so that there is a consistent look and feel throughout and to avoid breaks to the user. Similar guiding

principles are also being applied to third party interactions such as the Federal Services Hub and the NAIC SERFF tool.

Organizational Structure

In September 2012, Governor Dayton announced the transfer of Exchange design and development activities from the Department of Commerce to Minnesota Management and Budget. Please see the existing organizational chart earlier in this narrative, and the proposed organizational chart in section I, Descriptions for Key Personnel and Organizational Chart for additional detail on the Exchange organizational structure.

Interagency coordination of this effort is imperative to the success of the Exchange. To facilitate these important coordinated efforts, Minnesota has also recently created a new interagency structure to effectively execute design, development and implementation activities for the Minnesota Exchange that involves multiple state agencies. This new structure will create an efficient process for decision making and issue resolution as well as establish clear communication, coordination, project management and documentation mechanisms. This new structure includes Commissioners and staff from a number of Minnesota state agencies including Minnesota Management and Budget, the Departments of Human Services, Health, Commerce, Administration and MN.IT. This new structure includes an Interagency Subcabinet made up of agency Commissioners, a Steering Committee/Contract Committee, a Technical Architecture Committee, Business Architecture Committee and a Solution Architecture Committee that will bring together both business and technical aspects of Exchange design and development. Reporting through to these committees are a series of work groups that will include representatives from all applicable state agencies:

- Eligibility work group
- Enrollment work group
- Plan/provider management work group
- Legal/compliance work group
- SHOP work group
- Customer service work group
- Finance work group
- Information architecture work group
- Integration architecture work group
- Infrastructure work group
- Security work group

Coordination with Federal Government

Minnesota works very closely with our Federal government partners. Minnesota Exchange staff have weekly consultation calls with our State Officers to provide regular updates, ask questions and provide feedback. Minnesota also has monthly conference calls in coordination with the Department of Human Services and federal partners representing CMCS, CMCS Regional Office and CCIIO. Minnesota staff participate in a number of federally-facilitated webinars, conference calls and user groups to stay as informed as possible as new information becomes available.

Reuse, Sharing and Collaboration (beyond IT)

Minnesota is committed to collaborating with other states and reusing and sharing as much as possible. Minnesota is in close contact with the State of Maryland on a weekly basis coordinating efforts on a variety of aspects of Exchange design and development including but not limited to technology,

eligibility and enrollment, plan management and business operations. Minnesota staff also communicate on an as-needed basis with staff from a number of other states including Washington, Massachusetts, Rhode Island, Oregon, Utah and Maryland. Minnesota participates in a number of user groups and webinars facilitated by CCIIO, CMS, NAIC, the RWJ State Health Reform Assistance Network and NASHP, on Exchange topics. Minnesota has also posted a number of documents on CALT and will continue to do so as new material is developed.

Financial Integrity

Minnesota Exchange design and development activities are underway related to the prevention of waste, fraud and abuse. Exchange staff are working closely with program integrity staff and compliance staff at the Department of Human Services to ensure that all necessary and appropriate controls are implemented for public programs. In addition, all Exchange activities are taking place in full compliance with state policies and procedures regarding monitoring and oversight, as well as ongoing federal reporting requirements. Minnesota Exchange staff also produce monthly monitoring and reporting regarding grant expenditure and encumbrance.

Challenges

Minnesota is working diligently to develop a Minnesota Exchange that is consistent with the timeline set forth in the Affordable Care Act. In some areas, such as essential health benefits, appeals and the single streamlined eligibility application, states are lacking key federal guidance and artifacts which have created some operational challenges in the design and development process.

SHOP

Minnesota has convened a Small Employer and Employees work group composed of small employers, brokers, insurers, consultants, unions and consumer representatives. The work group provides technical assistance and information on the options related to coverage choices, services, processes and assistance for small employers and employees through the Exchange. The work group has examined many issues including SHOP requirements, the current small group market in Minnesota, premium calculator requirements, integration of tax-advantaged vehicles in SHOP and potential additional services the Exchange can offer to employers. The work group has met a number of times to date and will provide recommendations to the Exchange Advisory Task Force in November 2012.

The Exchange has included a number of functional requirements in the technical infrastructure contract focusing on the small group insurance market including requirements that are intended to facilitate streamlined enrollment, plan selection and payment aggregation. Functionalities include support for employer and employee choice enrollment models, payment aggregation and integration with broker/navigator support.