

Office of Consumer Information and Insurance Oversight

**State Planning and Establishment Grants for the
Affordable Care Act's Exchanges**

Quarterly Project Report

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State: Indiana

Project Title: Planning Grant Activities for Potential Exchange

Project Quarter Reporting Period: 9/30/2010-9/29/2011

Grant Contact Information

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Project Detail

The State of Indiana has not determined if it will establish a state-based Exchange or defer some or all of the functions to the federal government. This one million dollar Exchange planning grant laid the foundation for which the State could begin to evaluate the options and prepare for the PPACA mandated Exchanges. The Indiana Family and Social Services Administration coordinated with the Indiana Department of Insurance for the work completed under this grant request, ensuring program coordination. The Indiana Family and Social Services Administration is the umbrella organization that is responsible for administering the Indiana Medicaid Program (OMPP) and eligibility for public assistance (the Division of Family Resources or DFR). In the last year, Indiana has completed the milestones set forth in the planning grant project narrative: insurance market research, legal analysis of the authority to establish an Exchange, exploration of a potential governance structure, an IT fit gap analysis and significant stakeholder research, among others. Much of the work related to this grant was completed in the first two quarters of the grant period, at which time Indiana applied for a Level One Exchange grant. The following

core areas reflect the specific work completed during the twelve month grant period. Indiana received a Level One Exchange grant in May 2011, however, the work described in this report is specific to the activities funded by the \$1M planning grant unless otherwise noted. Deliverables are posted on Nationalhealthcare.in.gov.

Core Areas

• Background Research

Per Indiana's project narrative, the work completed in this area was an analysis of the demographics of Indiana's uninsured, the current state of employer based health insurance and potential users of an Exchange. Additionally, Indiana conducted research on the number of carriers offering products in Indiana, and how the changes in the market resultant of the PPACA provisions may affect them. Finally, Indiana conducted two questionnaires to research citizens' opinions of PPACA and regarding the design of an Exchange, should one be established. All the reports listed below are posted on the "Resources" page of Nationalhealthcare.in.gov.

Indiana engaged the State Health Access Data Assistance Center (SHADAC) to complete an assessment with two goals: (1) to assess the insured and uninsured in Indiana and their characteristics and (2) to assess the number and characteristics of potential users an Exchange in Indiana. Data from Current Population Survey, American Community Survey and Medical Expenditure Panel – Insurance Component was used to complete the analysis. Key findings include: (1) 64% of Indiana's 5.5 million nonelderly residents have health insurance through an employer, 5% purchase insurance, 14% receive coverage via a public program and 16% do not have coverage, (2) 500,000 nonelderly residents who are currently uninsured or purchase coverage in the individual market may be eligible for premium tax credits and (3) 33,000 small employers with 323,000 people may be eligible to purchase coverage through an Exchange. The full report includes more information, including additional individuals who may be users of an Exchange.

Research was completed on the current and future insurance market and the impact of key policy issues related to the Exchange, and Milliman, Inc. provided support for this effort. A number of issue briefs on insurance market issues were completed. Estimates on the structure and size of the current insurance market were completed. Additionally, the study topics for white papers were drafted include: (1) the projected size of the small, individual and large group markets in 2014, (2) the expected impact on premium rates in the small group and individual market, (3) comparison and selection of plan approaches, (4) health plan quality monitoring, (5) defined contributions, and (6) benefit plans on and off the Exchange.

In September 2010, the State administered an internet-based questionnaire to gain input from insurers and business stakeholders on their perspective on PPACA provisions and Exchanges. Over 400 respondents participated and the complete results are available on the aforementioned website. The analysis of this questionnaire was completed and posted online in December 2010. A key finding of this questionnaire was respondents preferred a state-based Exchange over a federal Exchange.

The second web-based questionnaire was conducted in March 2011. The questionnaire was a result of many months' research, and the questions reflected all key Exchange policy issues and

design options. The 2,600 responses, mentioned in the prior section, fell into the following categories: 1,461 consumers, 524 businesses, 414 insurers/brokers and 213 healthcare providers. The questions & responses have served as a guide to the State as the Exchange design options are discussed, evaluated and modeled. Weekly policy meetings were held throughout the spring and early summer, and the questionnaire was used as a framework to discuss the State’s options, should an Exchange be established. The questions fell into the following categories:

- Exchange Goals
- Business Model
- Small & Individual Market Requirements
- The Exchange & Medicaid
- SHOP
- Administrative Functionality
- Navigators
- Data & Consumer Needs
- Financing

The questionnaire not only provided a valuable framework from which to discuss and explore various components of the planning process, but provided crucial feedback from Hoosiers regarding their needs and desires.

Finally, the State has participated in all webinars and conferences offered by federal partners and policy groups. Calls and webinars have informed the planning process. Many of these presentations have led to follow-up calls, such as a call with Utah on the design and implementation of their small group exchange and a defined contribution plan. Staff attended the first Exchange grantee meeting in October 2010, and four members of the State healthcare reform team attended the May HHS Exchange grantee meeting in May 2011.

• Stakeholder Involvement.

Throughout the Exchange planning grant funding period, Indiana has sought stakeholder input. The two questionnaires described in the background research core area were a significant effort with valuable results. This outreach was the cornerstone of Indiana’s stakeholder engagement during the Exchange planning grant period.

Indiana has also held an extensive series of meetings with various stakeholder groups both to gain input from these groups and to update them as to the State’s progress on a potential Exchange. Public testimony was offered multiple times in legislative committees, all of which was broadcast over the internet. Please reference the below list for Indiana’s stakeholder involvement schedule:

Stakeholder Meetings	Date
Aggregator in Exchange discussion – Indiana Chamber	Thu 10/7/10
Healthcare Delivery Reform - Thomas Dunleavy	Tue 10/12/10

Indiana Employers Quality Health Alliance	Thu 10/21/10
Health Insurance Exchange and Health Insurance Issues - Stewart & Irwin, P.C. & Health Resources, Inc.	Wed 10/27/10
Exchanges – Indianapolis Business Journal	Wed 11/3/10
ACA Implementation, Children's Oral Health	Thu 11/4/10
Exchange/HealthCare Reform Implementation - Christian Science Committee on Publication Legislative	Fri 11/5/10
Indiana Chamber	Fri 11/5/10
UnitedHealth Care	Mon 11/15/10
CHOICE Board (Home & Community Based Services Program for the Aging) Presentation	Thu 11/18/10
Indiana Association of Pathologists – Presentation by Robyn Crosson	Sat 11/20/10
Roy Ranthum HSA Consulting Services & Jerry Malooley, State Personnel Department (SPD)	Thurs 12/2/10
Exchange & Quality Data –Indiana Employer’s Quality Health Alliance; Indiana Health Information Technology, Inc; Indiana Health Information Exchange (IHIE), SPD, HOI	Mon 12/6/10
Exchanges, Health Care Reform & HSAs – State of Georgia	Thurs 12/9/10
Advocates for Mental Health - Indiana Counsel on Community Mental Health Centers, Mental Health America, NAMI Indiana, KEY Consumer Corporation	Tue 1/4/11
Meeting with State Senator Connie Lawson	Tue 1/4/11
Insurers and Associations - Indiana Chamber, ISN, AHIP, Anthem, National Association of Social Workers, Covering Kids and Families – continued on following line	Tue 1/4/11
Insurers and Associations - SynCare, Bose Public Affairs Group, Indiana Hospital Association, Indiana Primary Healthcare Association– continued on following line	Tue 1/4/11
Insurers and Associations - Indiana State Medical Association, Riley Hospital, IN Minority Health Coalition, Academy of Pediatrics, American Heart Association and American Cancer Society	Tue 1/4/11
Advocates for the Elderly and Aging – AARP, Indiana Association for Home and Hospice Care, Indiana Healthcare Association, INALA	Thu 1/6/11
Advocates for Individuals with Developmental Disabilities - ARC of Indiana, Self-Advocates Board, Indiana Association of Behavioral Consultants (INABC)	Mon 1/10/11
Meeting with State Senators Pat Miller, Ryan Mishler, Vaneta Becker, Ed Charbonneau, Beverly Gard, Jean Leising and Ron Grooms (Health & Provider Services Committee members)	Mon 1/10/11

Indiana MGMA – Presentation by Seema Verma & Robyn Crosson	Fri 1/13/11
Meeting with State Senator Earline Rogers (Health and Provider Services Committee member)	Tue 1/18/11
Meeting with State Representative Peggy Welch (Public Health Committee member)	Thu 1/20/11
Healthcare Reform meeting organized by AARP – Presentation by Seema Verma	Fri 1/21/11
Call with Vicki Kunerth, Minnesota Director Performance Measurement Quality Improvement	Tue 1/25/11
Meeting with State Senator Vi Simpson (Health and Provider Services Committee member)	Tue 1/25/11
Public testimony/Presentation to Indiana General Assembly’s Health and Provider Services Committee	Wed 1/19/11
Meeting with Ned Lamkin, Indiana Employers’ Health Quality Alliance	Wed 1/19/11
Meeting with State Representative Craig Fry	Mon 2/14/11
Meeting with Indiana Insurance Brokers	Wed 2/23/11
Presentation at the HFMA spring conference	Thurs 2/24/11
Testimony before the Indiana General Assembly House and Senate Health and Insurance Committees	Wed 3/2/11
Meeting with the Indiana Optometric Association	Wed 3/16/11
Public testimony in Indiana General Assembly’s Public Health Committee	Wed 3/23/11
Meeting with Aetna Insurance Carrier regarding Exchange design options	Thurs 4/7/11
Meeting with SIHO Insurance Carrier regarding Exchange design options	Thurs 4/7/11
Meeting with Lt. Governor Becky Skillman & Dr. Mercy Obeime	Fri 4/8/11
Conference Call with Paul Mango regarding Exchange design options	Mon 4/11/11
Meeting with Representative Matt Lehman, Chairman of the House Insurance Committee	Wed 4/13/11
Meeting with Ned Lamkin of Indiana Employers’ Health Quality Alliance and Doug Stratton of the Indiana Comprehensive Health Insurance Association (high-risk pool) regarding Exchange design options	Wed 4/13/11
Meeting with Managed Health Services (MHS) regarding Exchange Design Options	Thurs 4/14/11
Meeting with St. Vincent Hospital Network	Fri 4/15/11
Meeting with Physicians Health Plan (PHP) regarding Exchange design options	Mon 4/18/11
Meeting with St. Francis Hospital Network	Mon 4/18/11
Testimony in Indiana General Assembly Conference Committee regarding the provisions of Senate Bill 461	Tues 4/26/11
Meeting with Anthem regarding Exchange design options	Tues 4/26/11

Meeting with MDwise	Tues 5/10/11
Community Mental Health Centers Spring Conference, Fort Wayne, Indiana	Wed 5/19/11
Meeting with Dr. Mercy Obieme	Fri 5/20/11
Meeting with Indiana Health Information Exchange (IHIE)	Tues 5/24/11
Meeting with Tower Bank	Thurs 5/26/11
Meeting with Ceridian	Tues 6/21/11
Meeting with AARP sponsored Consumer Advocacy Healthcare Reform Task Force, including: Managed Health Services, PPIN, INAAP, Indiana Council of Community Health Centers, Indiana Academy of Pediatrics, American Cancer Society, Indiana Assisted Living Association, Indiana Healthcare Association, Hope (nursing facility group), Syncare LLC, Arc of Indiana, Indiana Academy of Family Physicians, ACLU-Indiana, NASW Indiana, Indiana Minority Health Coalition, Indiana Association of Home and Hospice Care, Indiana State Nurses Association, Indiana Area Agencies on Aging, Mental Health America of Indiana, Indiana State Chiropractic Association, March of Dimes, Primary Care Association, Indiana State Medical Association, Covering Kids and Families, Indiana Podiatric Association, Indiana Academy of Pediatrics, Indiana Psychological Association, Indiana Optometric Association, Indiana Catholic Conference	Tues 6/21/11
Call with Indiana Hospital Association regarding Quality Data & the Exchange	Fri 6/24/11
Meeting with Assurant	Mon 6/27/11
Presentation on State Health Exchange Leadership Network Webinar	Thurs 6/30/11
Call with Indiana State Medical Association regarding Quality Data & the Exchange	Fri 7/1/11
Meeting with Senator Pat Miller, chair of Indiana General Assembly's Health Finance Committee	Thurs 7/7/11
Presentation & Testimony before the Health Finance Committee regarding Indiana's conditional establishment of an Exchange, the results of the Exchange Questionnaire and summary of research completed as related to the grant	Wed 7/13/11
Meeting w/ Benicomp	Tues 7/19/11
Presentation at INARF's Summer Conference	Tues 7/26/11
Testimony in Select Joint Commission on Medicaid Oversight regarding regarding Indiana's conditional establishment of an Exchange, the results of the Exchange Questionnaire and summary of research completed as related to the grant	Tues 8/23/11
Call w/ Jim Frogue	Thurs 9/1/11

- **Program Integration.**

The work detailed in the project narrative states that staff would evaluate the current work taking place in Indiana's Medicaid program as well as at the Indiana Department of Insurance, and coordinates those efforts with planning for a potential state-based Exchange. The Governor's office, through its health care reform team, is working to coordinate the efforts of The Indiana Family and Social Services Administration (FSSA) and the Indiana Department of Insurance (IDOI) to ensure that a potential Exchange does not perform functions already contained within these agencies. The Indiana Office of Technology (IOT) is also involved on a regular basis. Indiana has developed a document listing the essential Exchange functions and is defining whether these functions are performed by the IDOI the FSSA, if an Exchange is established, or are functions that will be assigned specifically to an Exchange entity.

Indiana held regular meetings and engaged stakeholders throughout the state to define how IDOI, FSSA, and Exchange may function together. Weekly policy meetings were held between FSSA and IDOI throughout the winter and spring. A Medicaid focused group also meets biweekly to discuss a number Affordable Care Act topics; integration of the Medicaid program with a potential Exchange has been a frequent agenda item. Meetings discussing the Exchange IT strategic plan have also been conducted on a regular basis involving FSSA, IDOI, DFR, State Personnel and Indiana Office of Technology (IOT). A small group meets weekly to touch base on all Exchange related IT issues.

- **Resources & Capabilities.**

The primary funding request in this core area was to complete an assessment regarding if and how an Exchange could utilize existing systems and how this could be accomplished in the timeframe prescribed by the PPACA legislation. Indiana engaged Deloitte to conduct a Fit Gap Assessment of the State's current IT infrastructure. Key State stakeholders, including those that supervise the functions of ICES (the State's eligibility system), MMIS (the State's Medicaid claims system), Department of Insurance IT systems and IN.gov, met to work through current system capabilities. Workshops with all stakeholders, including the Office of Medicaid Policy and Planning, the Division of Family Resources (responsible for eligibility) and the Department of Insurance, were held on 11/10/10, 11/23/10 and 12/14/10. This Fit Gap Assessment identifies the State's current IT systems that could be built upon to support an Exchange. Various IT procurements were already scheduled for the upcoming years and part of this work will require coordination of project timelines. Staff has worked to develop an Exchange IT strategy for the upcoming years based upon the resources that will be needed. The state continues to modify the strategy as additional guidance and regulations are released from the federal government. An Exchange project manager was engaged this quarter to help integrate, manage, and coordinate the efforts of the various Indiana agency resources and vendors that are supporting the planning of an Indiana Exchange.

- **Governance.**

Indiana conducted an analysis of the legal authority need to establish an Exchange, and contracted with Ice Miller, LLP to receive assistance in this area. After analysis, Ice Miller it

was concluded that the State did not need legislation to establishment of a not-for-profit Exchange and sufficient authority was available via Executive Order.

An Executive Order was developed early in the grant period, and it was issued by Governor Daniels on 01-03-11. It directed the Indiana Department of Insurance and the Family and Social Services Administration to work together on developing a potential Exchange and conditionally established a not-for-profit entity Indiana Insurance Market Inc. as the Indiana Exchange. It should be noted that the Executive Order is not a commitment to establish an Exchange, however, if the State does establish an Exchange, it is sufficient legal authority to do so.

Indiana has also worked towards developing more detailed Exchange governance and operations plans. Staff began work on the draft articles of incorporation and bylaws for the Indiana Insurance Market, Inc, such that they are prepared if the State moves forward with Exchange establishment.

- **Finance.**

Per the planning grant narrative, the State began to develop a budget during the one year grant cycle. The State has identified the areas where costs would be expected to be incurred, should an Exchange be implemented. These buckets are demonstrated later in this report. Questions around financing of the Exchange were included on the Exchange questionnaire. Indiana is consulting these responses when taking into account Exchange financing options. Many respondents commented that if the Exchange was going to cost additional tax payer funds, then the State should not consider implementing it. Only 5.3% of respondents thought the Exchange should be financed through a new tax, and only 3% were in favour of issuing bonds and borrowing money. Meanwhile, 44.7% of respondents thought an Exchange should be financed by an insurer fee. Additionally, 27.2% of respondents thought an Exchange should be financed by an increase on the current premium tax, and 26.2% thought an Exchange should charge a fee to individuals to use the Exchange. These results were included in the reports posted on the website, and they were shared publically with stakeholders at a July meeting of the Health Finance Committee, as noted above in the stakeholder outreach summary. Additionally, the policy team has identified preliminary financing options during the weekly meetings.

Additionally, a staffing plan for an additional twelve months of work was identified as part of the Level One grant request. Additional financing needs are being projected as part of the work plan in the Level One grant and as a result of the design options indentified during the planning grant meeting.

- **Technical Infrastructure.**

The Fit Gap analysis of Indiana's current IT assets, as described earlier in this report, included an evaluation of the following systems: ICES, QualCheck, WFMS/FACTS, AIM, IN.gov, the Indiana Health Information Exchange, SERFF, and SIRCON. This analysis of Indiana's current technical infrastructure systems is a key to the development of an Exchange.

As related to the Level One grant and mentioned above an RFI has been completed and released to study potential solutions, should an Exchange be developed. Additionally, the business requirements being developed under the Level One grant will be used to develop technical requirements. More information was provided in the Level One Quarterly Report #1.

- **Business Operations.**

Indiana has developed a document that describes the required Exchange functions and indicates if these functions will remain the responsibility of the IDOI, the FSSA, or be required to be performed by an Exchange. Additionally, this document was submitted to HHS with the Level One grant request. The Indiana Exchange Questionnaire included questions on key areas of business operations. Examples include premium collection, eligibility, enrollment, and defined contributions. These business operations have been the focal point of the discussions during the frequent policy meetings, mentioned earlier in this report, composed of IT, IDOI and FSSA staff. Per the grant work plan, the State has indentified decision points for a design, identified key individuals and committees to be involved on the research surrounding key decisions points and held regular meetings. Work conducted in this area relates to the development of businesses processes and high-level and detailed business requirements, which is part of the Level One grant.

- **Regulatory or Policy Actions.**

The key work product in this core area, as earlier noted, was the creation of an Executive Order that conditionally established a not-for-profit Exchange and that is sufficient legal authority for establishing an Exchange, should Indiana move forward.

Indiana has also logged possible other legislative and legal needs should the State move forward with full Exchange implementation. Legislation will likely be needed for the Exchange to perform its various functions, such as collecting fees or sharing data. Memorandums of Understanding will need to be drawn up to establish the contractual interactions between the agencies and the Exchange. Throughout the past year, possible legislative and legal issues have been flagged and logged for future attention.

Also during the planning grant period, the administration provided testimony on Indiana Senate Bill 461. The bill language relates to various insurance markets provisions of the ACA and Medicaid program changes aimed at protecting Hoosiers. The bill passed in April 2011.

Needs Assessment

At this time, providing a budget for FFY2011-FFY2014 is still premature. In the State's recent Level One Establishment Grant application, part of the work of the business requirements team is to help the State project the costs associated with implementing and operating an Exchange. A cost model has been developed as part of the work related to the Level One grant. It is an interactive Excel spreadsheet by which the State can alter assumptions such as participation rates, Exchange model and level of automation, among other factors. The State is then using it to develop different scenarios based on various design options. The state expects costs to fall

into the following buckets. More information will be available at a later date, once the State has completed additional research and stakeholder outreach.

Function	FFY 2011	FFY 2012	FFY 2013	FFY 2014
Labor* : incremental agency resources				
Contracted Resources : costs related to procured services				
Technology				
Infrastructure : Brick & Mortar including physical space and equipment				

*Includes costs at DFR, OMPP, the Hearings & Appeals Office and IDOI, as needed.

Technical Assistance

The State appreciates the cooperation that CMS and CCIIO have promised in the reviewing of all planning and implementation documents as they relate to our IT systems. Indiana encourages the prompt release of all proposed and final regulations as related to the Exchange and PPACA provisions. The timeline for Exchange implementation is aggressive, and regulations are needed as soon as possible. Additionally, the State requests prompt release of the eligibility system requirements and details on the federal hub and how states would interface with it.

Finally, due to the significant changes needed to eligibility IT systems as they interface with an Exchange, CCIIO’s coordination with FNS will be imperative to the State’s progress. Indiana has a combined eligibility system that currently handles applications for Medicaid, TANF and SNAP (food stamps). All changes and updates related to Indiana’s eligibility system, ICES, require approval from FNS. The State anticipates that changes to the eligibility system will certainly be required should the State implement a state-based Exchange. Should formal cooperation between CMS, CCIIO and FNS not exist, the State could be in danger of falling behind on the project as staff separately negotiates with another key federal partner.

Final Project Work Plan

- Background Research
 - 1)
 - **Name of milestone:** Completion of Insurance Market Research
 - **Timing:** January/February 2011 - Completed
 - **Description:** Indiana engaged SHADAC to conduct research on the uninsured and the potential users of an Exchange. In January and February 2011 the State conducted conference calls with SHADAC for explanations of the findings. The full report is posted online.
 - 2)
 - **Name of milestone:** Actuarial Analyses
 - **Timing:** Spring 2011 -- Completed

- **Description:** Milliman used the data SHADAC provides and developed actuarial modelling and analyses of the potential users of an Exchange. These reports are posted on the website.
- 3)
- **Name of milestone:** Exchange Questionnaire Design
 - **Timing:** Spring 2011 - Completed
 - **Description:** Staff designed the Exchange Questionnaire and research was conducted to ensure all relevant questions related to Exchange design were included.
- 4)
- **Name of milestone:** Exchange Questionnaire Analysis
 - **Timing:** Spring 2011 - Completed
 - **Description:** Analysis of feedback provided to questions posed. Useful to help Exchange design team inform decisions.
- Stakeholder Involvement
 - 1)
 - **Name of milestone:** Stakeholder Meetings & Legislative Briefings
 - **Timing:** Ongoing
 - **Description:** Indiana is committed to continuing to involve stakeholders in discussions around developing an Exchange. These stakeholders are key to the effort, as they are providing input on Exchange design options. Stakeholder Meetings are expected to continue throughout and beyond the duration of this grant.
 - 2)
 - **Name of milestone:** Exchange Questionnaire
 - **Timing:** March/April 2011 - Completed
 - **Description:** An electronic questionnaire was developed for stakeholders to gather input on key Exchange decision points. The results are posted on the website.
 - 3)
 - **Name of milestone:** Exchange Questionnaire text analysis
 - **Timing:** Spring 2011 - Completed
 - **Description:** Analysis of the text and write in feedback provided by stakeholders on the Exchange design options presented in the Exchange Questionnaire.
 - 4)
 - **Name of milestone:** One-on-one meetings with insurers
 - **Timing:** Spring 2011 -- Completed
 - **Description:** One-on-one meetings held with insurance companies and small employers to cover their questions and feedback on Exchange design as related to the input provided on the Exchange Questionnaire. Staff met with stakeholders to verify and discuss the results.
 - 5)
 - **Name of milestone:** Targeted stakeholder meetings – Level One Grant
 - **Timing:** Ongoing
 - **Description:** Stakeholder Meetings are expected to continue throughout and beyond the duration of the Level One funding grant. These targeted meetings will be used to discuss

and verify certain Exchange design and policy options. Stakeholder groups include: consumers, insurers, brokers, businesses and healthcare providers.

- Program Integration

1)

- **Name of milestone:** Define duties & create IT plan for all agencies
- **Timing:** May 2011 -- Completed
- **Description:** Indiana has developed a preliminary document detailing duties performed currently by State agencies and those that will need to be performed by an Exchange. Completion of this milestone will result in a finalized document that details what responsibilities will remain with State agencies and what responsibilities will be conducted by an Exchange. This document was included in the Exchange Level One grant application.

2)

- **Name of milestone:** Develop preliminary model for information transfer between and Exchange and State Agencies
- **Timing:** May-June 2011
- **Description:** When duties of an Exchange are finalized, a plan will be developed for data transfer between an Exchange and State Agencies on key functions.

3)

- **Name of milestone:** Hold regular meetings with State Agency Stakeholders
- **Timing:** Ongoing
- **Description:** Meetings are held regularly to address program integration among state agency stakeholders for operations, policy, and IT. Weekly meetings are held to discuss policy and design with IDOI and Medicaid. An additional weekly IT meeting is held with stakeholders from FSSA and IDOI.

4)

- **Name of milestone:** Completion of Level One funding request
- **Timing:** March 2011 - Completed
- **Description:** All state agency stakeholders worked together to complete a Level One funding request and work plan for further Exchange development.

5)

- **Name of milestone:** Develop Memorandums of Understanding for shared functionality, responsibilities and systems between FSSA, IDOI and the Exchange – Level One Grant Request
- **Timing:** Early 2012
- **Description:** MOUs will be drafted as part of the work of the Level One grant request.

- Resources & Capabilities

1)

- **Name of milestone:** Analyses of Fit Gap Assessment Report
- **Timing:** January/February 2011 - Completed
- **Description:** Deloitte completed a Fit Gap Assessment of Indiana's IT assets. The State will be analyzing the Deloitte report and coming to preliminary conclusions on what

assets are scalable to support an Exchange and what gaps need to be filled with new systems.

2)

- **Name of milestone:** Development of IT Strategic Plan
- **Timing:** March 2011 – Completed as part of Level One grant request
- **Description:** Indiana will develop a Strategic plan for its IT needs relating to the timeline for developing, testing, and implementing the systems necessary to ensure Exchange IT functionality. Ongoing amendments to the IT Strategic Plan will continue.

3)

- **Name of milestone:** Development of design options
- **Timing:** Spring 2011 – Completed
- **Description:** Indiana will develop a series of Exchange design options. These Exchange design options will be compared against the State's resources and capabilities.

4)

- **Name of milestone:** Selection of Exchange design option(s)
- **Timing:** TBD
- **Description:** After comparing the possible Exchange design options with needed resources and the State's capabilities a design will be selected.

▪ Governance

1)

- **Name of milestone:** Legislative Analysis
- **Timing:** December 2010 - Completed
- **Description:** Ice Miller conducted legislative analysis and advised that Indiana could create a not-for profit Exchange through Executive Order.

2)

- **Name of milestone:** Articles of Incorporation & Bylaws
- **Timing:** Spring 2012 – Completion part of Level One Grant
- **Description:** Indiana conditionally established the Indiana Insurance Market, Inc. through Executive Order. Through the spring of 2011, Indiana will work on the draft articles of incorporation and bylaws.

3)

- **Name of milestone:** Evaluation of Indiana Insurance Market, Inc. Structure
- **Timing:** Ongoing
- **Description:** Ice Miller will continue to review and provide updated legal analysis regarding the options available for the structure of the Exchange, including the governance of the Health Exchange. Analysis will be provided regarding the ownership and governance of the information technology platform that will be developed to provide the underlying functions of the Exchange. This analysis will include the necessary steps to ensure that the Exchange complies with the ACA and related regulations.

4)

- **Name of Milestone:** Form legal entity (part of Level One funding request)
- **Timing:** TBD
- **Description:** If the State decides to proceed with a State-based Exchange, the necessary steps will be taken to form the legal entity by completing and filing the Articles

of Incorporation with the Indiana Secretary of State. The State will continue to develop the necessary governance policies of the Exchange, including, but not limited to:

- *Articles of Incorporation;*
- *Bylaws of the Health Exchange;*
- *Conflict of interest and executive compensation policies;*
- *Whistleblower policy; and*
- *Document retention policy.*

▪ Finance

1)

- **Name of milestone:** Development of preliminary budget – Level One Grant
- **Timing:** August 2011/Early 2012
- **Description:** Deloitte is developing preliminary cost models as related to staffing for an Exchange and is on target to deliver in August 2011. A full preliminary budget with maintenance components for IT systems will not be available early 2012.

2)

- **Name of milestone:** Development of preliminary financing plan options
- **Timing:** May 2011 - Completed
- **Description:** In Spring of 2011 Indiana will be working to draft a preliminary plan giving options on how to finance an Exchange and make it self-sustainable after 2015.

3)

- **Name of milestone:** Selection of Finance Consultant
- **Timing:** Spring 2012
- **Description:** As part of the Level One funding request the Indiana Exchange team has planned for the selection of a financing consultant to assist the state with Exchange budgeting and finance system design.

4)

- **Name of milestone:** Development of options of Exchange financial system
- **Timing:** Spring 2012
- **Description:** The selected finance consultant will aid the State as part of the Level One funding grant with the development of options for how the Exchange financing system will function.

▪ Technical Infrastructure

1)

- **Name of milestone:** Fit Gap Assessment
- **Timing:** January 2011 - Completed
- **Description:** Deloitte Consulting completed a Fit Gap Assessment of Indiana's IT assets. This report details the capabilities of the State's current IT infrastructure and the gaps where new solutions will be needed to support an Exchange.

2)

- **Name of milestone:** Development of RFI & IAPD
- **Timing:** Spring 2011 – Completed
- **Description:** Using the Deloitte Consulting Fit Gap Assessment Indiana developed an RFI to gain more information on possible IT systems solutions. The State also drafted its IAPD & submitted to FNS.

- 3)
- **Name of milestone:** Develop Business Requirements (part of Level One funding request)
 - **Timing:** Summer 2011
 - **Description:** Under the Level One funding request Indiana will engage a vendor and develop the business requirements for the Exchange.

- 4)
- **Name of milestone:** Develop Technical Requirements (Level One funding request)
 - **Timing:** Summer/Fall 2011
 - **Description:** As the business requirements are developed the Exchange IT team will use these as a base to develop the Technical requirements. This is part of the work included on the Level One funding request.

- 5)
- **Name of milestone:** Develop RFP for System Integrator (Level One funding request)
 - **Timing:** TBD
 - **Description:** As the technical requirements and technical architectural design is developed the Exchange IT team will use this information to create an RFP to solicit the engagement of a systems integrator. This is part of the work included on the Level One funding request.

- 6)
- **Name of milestone:** Complete SDLC Implementation Plan – Future Grant Request
 - **Timing:** TBD – potentially early 2012
 - **Description:** An SDLC Implementation Plan will be completed as part of a potential future grant request.

- 7)
- **Name of milestone:** Complete Security Risk Assessment and Release Plan – Level One Grant
 - **Timing:** Fall 2011
 - **Description:** As a part of the Level One grant request, First Data was contracted to develop the Security Risk Assessment and Release Plan. State staff will validate their deliverable.

- Business Operations

- 1)
- **Name of milestone:** Development of Exchange Goals Document
 - **Timing:** Spring 2011 - Completed
 - **Description:** By spring 2011 Indiana will develop a document that outlines the goals of the Indiana Insurance Market, Inc. This document will incorporate the feedback gained from stakeholders through meetings, written comment submissions, and the Indiana Exchange Questionnaire.

- 2)
- **Name of milestone:** Defining the functions of an Exchange
 - **Timing:** Spring 2011 - Completed
 - **Description:** Using stakeholder input gained from the Exchange Questionnaire, Indiana defined the key functions of an Exchange.

- 3)
 - **Name of milestone:** RFI for Business Requirements Vendor
 - **Timing:** March 2011 - Completed
 - **Description:** RFI issued for vendor to aid the state in development of Business Requirements for the Exchange.
 - 4)
 - **Name of milestone:** Selection of Business Requirements Vendor
 - **Timing:** April 2011 - Completed
 - **Description:** Vendor was selected to aid Indiana in the development of business requirements for the Exchange. The development of business requirements is part of Indiana's Level 1 funding request.
 - 5)
 - **Name of milestone:** Business Processes & High Level & Detailed Requirements
 - **Timing:** Completed – December 2011
 - **Description:** Deloitte was selected to complete future state business process design, high and detailed level business requirements and a business operations model. State staff will validate their deliverables.
 - 6)
 - **Name of milestone:** Develop scope of work to handle appeals process for Small Businesses
 - **Timing:** Completed – December 2011
 - **Description:** Deloitte was selected to complete future state business process designs and associated operation manuals which include the definition of the scope of work to handle the appeals process for Small Businesses
- Regulatory or Policy Actions
 - 1)
 - **Name of milestone:** Executive Order
 - **Timing:** January 2011 - Completed
 - **Description:** In January 2011 Indiana issued an Executive Order conditionally establishing the not-for-profit Indiana Insurance Market, Inc. as Indiana's Exchange.
 - 2)
 - **Name of milestone:** Development of Legislative Requirements for future legislative session
 - **Timing:** Ongoing
 - **Description:** Indiana did not introduce Exchange Legislation in the 2011 session; however, the State foresees that there will be Exchange requirements that need Legislation.
 - 3)
 - **Name of milestone:** Evaluation of issuance of federal regulation as related to the Exchange
 - **Timing:** Ongoing
 - **Description:** Ice Miller will continue to assist the State with the evaluation of regulations released by the federal government. Ice Miller will also advise the State related to

ongoing compliance with these regulations and will conduct a review of the actions already undertaken and policies that have been implemented by the State, FSSA, and IDOI to confirm that all such actions are consistent with the federal regulations.

4)

- **Name of milestone:** Health insurance market reforms
- **Timing:** Ongoing
- **Description:** IDOI will continue its progress in implementing the insurance market reforms required by the ACA, as required, during this 12 month period of Level One grant funding. Work in this area will align with, but not duplicate, the work taking place on the rate review grant.

Final Evaluation Report

At this time the State has not decided whether or not to pursue a state-based Exchange. Deliverables are posted on Nationalhealthcare.in.gov. The Exchange planning grant goals were met, and have been detailed in this report. Indiana completed the milestones proposed in the planning grant request. Additional tracking of milestones is taking place under the Exchange Level One grant.