

## A. Core Areas Legal Authority and Governance

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBBE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Legal Authority and Governance
What are the primary strategies your Program has used to approach this Core Area?	<p>Indiana did not commit to establishing a state-based Exchange and explored options with the funding received in this grant cycle. As noted in all previous reports, former Governor Mitch Daniels issued an Executive Order in 2010 that permitted, but did not commit, the State to conditionally establish an Exchange as a not-for-profit entity. The Executive Order stated that this was due to limited federal guidance on Exchanges, Indiana's belief in protecting Hoosiers from undue federal regulation, and desire to maintain a free market. The Executive Order allowed the State to move forward with planning without a commitment to formally establish an Exchange. During this reporting period, the then-Governor sought feedback on governance models from Indiana's three gubernatorial candidates. Based upon State research, candidate feedback, and the outcome of the gubernatorial election, then-Governor Daniels stated he would provide HHS with a decision. With these considerations, review of further guidance, as well as enrollment and financial impact projections in mind, Indiana has decided that a Federally Facilitated Exchange (FFE) is currently the best route for the State and its citizens in 2014.</p> <p>The key strategy for this core area has continued to be the prompt and thorough review of all proposed and final regulations, guidance, or bulletins released in regards to the Exchanges. An interagency group consisting of the Department of Insurance (IDO), several of the Indiana Family and Social Services Administration's (FSSA) divisions: the Division of Family Resources (DFR) (responsible for eligibility) and the Office of Medicaid Policy and Planning (OMPP), and other individuals participated in the review of federal guidance as applicable to their work.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State has reviewed all federal guidance released since the last report was submitted, including guidance on Essential Health Benefits, Actuarial Value, Accreditation, Health Markets, MSPP Establishment, and Benefit and Payment Parameters. Staff convened over daily lunch hour sessions to review these regulations section by section to identify questions, concerns, and areas of impact. The State has also continued to participate regularly in NAIC- and HHS-led ACA calls to discuss released guidance and its impact on the health insurance market, State agencies, and State assistance programs. Questions regarding all guidance were sent to the relevant federal agency contact person routinely and frequently for clarification in order to ensure consistent understanding and appropriate modification of business and technical requirement updates. Policy and operational checklists have also been completed and updated based on regulatory updates and guidance.</p> <p>The State has included legislative changes and legal considerations in its overall PPACA work plan. The legal team has continued to provide support as questions have arisen, including those related to the role of the State in a FFE model. The legal team has also helped the IDOI draft legislation that would preserve the agency's regulatory authority in the health insurance market. The legislation was developed to maintain current market function and oversight, preserving the standards to which all current insurance carriers must adhere, and preparing for coordination with a federally-facilitated Exchange.</p> <p>The State logged questions and ideas during policy, stakeholder, and business requirement meetings and met with its attorneys to discuss these items as needed.</p>
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Enabling authority for Exchange and SHOP		5. Complete	
2	Board and governance structure		1. No Activity Planned	See work plan; not needed for FFE

## A. Core Areas Consumer and Stakeholder Engagement and Support

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
<b>Core Area and Business Function</b>	Consumer and Stakeholder Engagement and Support
<b>What are the primary strategies your Program has used to approach this Core Area?</b>	<p>Since the beginning of the planning process, Indiana has remained dedicated to ensuring that all State agency stakeholders are engaged in the discussions, planning and implementation of changes due to PPACA. Numerous stakeholder consultations have continued throughout the second six months of the Level One grant period as an ongoing component of Indiana's evaluation of Exchange model options and planning for coordinated implementation for each model. The IDOI and FSSA (which oversees eligibility and the Indiana Medicaid program) communicated frequently and held regular collaborative meetings to discuss current agency communication efforts, concerns, and the impact of federal Exchange regulations and guidance on those efforts. Throughout the process, the healthcare reform team has worked to identify challenges posed by program integration and to develop strategies for mitigating these issues.</p> <p>Indiana has also used a variety of methods to foster stakeholder engagement and gain greater insight from the many groups that will be impacted by the implementation of PPACA. The State has relied heavily upon targeted meetings, general discussions, and surveys to better understand the mix of thoughts, concerns, and recommendations. Targeted meetings with small groups of individuals allow individuals to be more candid in their dialogue with the State. These candid responses have been a valuable tool in policy consideration; and meetings with stakeholders will continue to play a significant role in policy development and implementation. As noted in previous reports, surveys and questionnaires have also been a valuable means of allowing stakeholders to consider complex issues and provide thoughtful and detailed responses. While it has been important to gather this feedback from stakeholders that will play a direct role in consumer outreach, it has also been important to keep legislators and the general public abreast of new and changing information. For this reason, State agencies have provided numerous public presentations to the General Assembly and Healthcare Reform conference attendees, as well as to the Indiana General Assembly's summer study committees, as Indiana has a part-time legislature.</p> <p>Additionally, over the past six months, the Exchange team has performed a detailed review of the federal regulations for the Navigator and Assister programs. The State has looked at other states' models for consumer assistance and has also continued to leverage internal expertise regarding existing local consumer assistance programs. The healthcare reform workgroup considered the different consumer assistance programs as it developed a vision that considered the needs of all stakeholders, placing particular focus on protection and coordinated service for the consumer.</p>
<b>What are some of your Program's significant accomplishments or strengths in this Core Area?</b>	<p>Since the last report, the State has focused on consumer assistance functions, including evaluation of the consumer assistance partnership model. The State met with numerous internal and external stakeholders in order to identify potential consumer assistance needs in what will likely be a rapidly-changing marketplace. As the State selection of the federally-facilitated Exchange model became apparent at the end of the grant period, efforts were focused on how to interface with a federal Exchange and ensure the best interests of Indiana residents will be met under this model.</p> <p>As part of the research on the consumer assistance function, the State leveraged existing expertise to develop a comprehensive list of internal and external Stakeholders who will be impacted by the new Exchange and Medicaid enrollment processes. The State then utilized this comprehensive list to develop several small, core groups with which it vetted its more general program plans.</p> <p>After a great deal of research and many conversations, State agencies developed a program plan for individuals and organizations planning to help consumers understand eligibility and enrollment in federal- and state-sponsored insurance affordability programs. The program plan was then vetted with the identified stakeholder groups; and upon receiving positive feedback from those groups, the State agencies worked with attorneys to draft legislation. This proposed legislation was also vetted with a small number of relevant stakeholders and will be introduced in the next legislative session, convening in January 2013. With the support of these core groups, the healthcare reform workgroup moved forward with legislation development. While this legislation provided a basic structure to the state-specific consumer assistance program plan and requirements, details must still be finalized. As the workgroup continues to address the details of program implementation, the comprehensive list of stakeholders will be used to not only vet program plans, but will also be an invaluable resource to State and Federal community outreach efforts.</p> <p>As noted in previous reports, regular meetings with State staff representing Medicaid policy, training, eligibility, enrollment, technology, data, etc. enriched conversations about consumer outreach and assistance. Regular meetings with State staff immersed in the health insurance market also promoted a better understanding of current operations and the impact of federal regulations on likely stakeholders. These staff would also meet to discuss proposed and final federal regulations and guidance, reviewing policy options and how the options would impact different business operations, technical operations, stakeholder interaction, and consumer utilization. The diversity of perspectives in these meetings brought to light many considerations that would have been overlooked without such collaboration.</p> <p>Another accomplishment has been the work to ensure a more coordinated "No Wrong Door" consumer experience. Technology-focused internal meetings have discussed current and future staff needs to address the anticipated questions that will come with the October 1 open enrollment date. In addition to hiring and training needs, staff has also evaluated the technology that is currently used and technological requirements. Noting that different technologies were used by each call center, State staff looked for ways in which these systems might be linked in the future. More information this project is listed in the IT section of this report, and the project is ongoing.</p> <p>Indiana continued to operate the website <a href="http://Nationalhealthcare.in.gov">Nationalhealthcare.in.gov</a>, on which individuals have requested email notifications when new information was posted to the website. The website continues to serve as the central source for information relevant to the State's health care reform activities and deliverables completed under the Exchange grants. Posted items include questionnaires, research data and data analysis summaries, white papers, press releases, presentations, federal correspondence, implementation progress updates, and other key documentation. Individuals have also emailed the healthcare reform team at <a href="mailto:feedback@nationalhealthcare.in.gov">feedback@nationalhealthcare.in.gov</a>, where the email inbox is checked frequently.</p>
<b>What are some of the significant barriers your Program has encountered?</b>	N/A
<b>What strategies has your</b>	N/A

Program employed to deal with these barriers?	
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### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Stakeholder consultation plan		5. Complete	
2	Outreach and education		3. On Schedule	
3	Internet Web site		5. Complete	Due to FFE decision, not web portal is necessary. The nationalhealthcare.in.gov website is available for stakeholders to seek information about Indiana's work.
4	Navigators		3. On Schedule	

### A. Core Areas Eligibility and Enrollment

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<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Eligibility and Enrollment
What are the primary strategies your Program has used to approach this Core Area?	<p>Indiana has continued to focus on the area of eligibility and enrollment. Knowing that the eligibility function is one the most expensive functions for the State to perform, this consideration was one of the many that contributed to Indiana's selection of the FFE model. Throughout the Exchange model consideration process, Indiana reviewed guidance as it was released and revisited cost and policy assumptions related to that new guidance. The State evaluated the cost of performing the eligibility determinations and individual mandate exemptions, updating estimates as new information was presented. The cost assumptions were vetted with all internal stakeholders responsible for the same or similar processes today, and the cost model was shared externally at numerous meetings and legislative hearings.</p> <p>The expertise of IDOI and FSSA staff has been leveraged to examine the role the State will play in the FFE model, including enrolling individuals in Medicaid plans via the Exchange. Notice requirements also required a great deal of attention, as State staff worked to identify those touchpoints between the State and the FFE. In order to address these State-Federal points of contact, the State utilized internal expertise, particularly leveraging the years of FSSA staff experience with business and technical processes. New business process models were developed to indicate where the proposed regulations required notices. Also understanding that the single streamlined application would be a shared point of contact between the State and Federal processes, Indiana took time to carefully review the proposed data elements and recent online questionnaire guidance for the single streamlined application.</p> <p>Another topic of great interest and future focus is that of the connection to the Federal Hub. In spite of Federal operation of the Exchange, State agencies and Hoosier consumers will be heavily impacted by the successful integration of this information bank. Seamless coordination between the online application and the Hub would vastly reduce the barriers for Hoosiers attempting to complete the application and would vastly reduce the potential call load to State agencies expressing confusion and frustration with the application process. The State has looked for ways in which it might expedite the application process, and anticipates working with the FFE to reduce barriers to completing that process. Finally, the State continues to revisit its training needs and operations manual as eligibility and enrollment processes change in preparation for 2014.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Since the last review period, work included review and incorporation of updated guidance from regulations. After regulations and/or guidance were released, staff reviewed regulations, determined areas of concern and points that required clarification, and re-visited the developed business requirements. State staff updated assumptions and business requirements based upon the regulations. The State continued to evaluate the different eligibility options released by HHS for premium tax credits and Medicaid. Additionally, the State reviewed projections for enrollment in years one, two, and beyond in order to further refine the cost model in terms of staffing and overall expense for a Medicaid Expansion and the woodwork effect. The cost models considered costs associated with the eligibility and enrollment function and evaluated which option would achieve the best outcomes for members and the taxpayers. MAGI calculation methodologies from the NPRM were reviewed and comments prepared. Enrollment projections were further detailed by counties and regions of the state in order to facilitate development of the Division of Family Resources staff model and project training needs. MAGI process flows were completed and kept up-to-date with emerging regulations.</p>
What are some of the significant barriers your Program has encountered?	<p>The most significant barrier in this area was the need for detailed written federal guidance, especially as related to appeals and notices, the Federal Hub, and Medicaid determinations in the FFE. In addition, in light of the Supreme Court decision, projections regarding Medicaid enrollment will ultimately depend upon the future coverage decisions. The State has made no decisions in this area to date. Another key concern is the timeline for implementation of the ACA eligibility requirements. While staff is working diligently to be ready, the success of their work depends heavily upon guidance from federal oversight agencies, approval of contracts and IAPDs by federal partners, the federal testing schedule, and the readiness of the federal hub.</p>
What strategies has your Program employed to deal with these barriers?	<p>In addition to continuing to review all NPRMs, bulletins, and guidance as they are issued, the State will continue to seek guidance from federal oversight agencies and work on collaboration with HHS as it establishes an Exchange in Indiana. The State has also participated in all federal calls, and urges CCHIO to continue releasing written guidance to the states.</p>

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Coordination strategy with Insurance Affordability Programs and the SHOP		3. On Schedule	While out of the scope of the HIX grant, Indiana Medicaid is working to coordinate with the federal HIX.
2	High risk pool transition plan		3. On Schedule	
3	Eligibility determination		3. On Schedule	Again, while out of the scope of this grant, Indiana Medicaid is working to implement all new eligibility rules.
4	Electronically report results of eligibility assessments and determinations		3. On Schedule	

## A. Core Areas Plan Management

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBBE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
<b>Core Area and Business Function</b>	Plan Management
<b>What are the primary strategies your Program has used to approach this Core Area?</b>	<p>Through the development of the business requirements and detailed procedures for a state-operated Exchange or plan management partnership option, it was decided to leverage the existing functions and expertise at the Indiana Department of Insurance, should a state-based or plan management partnership Exchange be developed. The IDOI currently handles all rate and form filings, and it is anticipated the IDOI would be responsible for Qualified Health Plan certification process if such a process were to be implemented in the State. IDOI uses the NAIC's System for Electronic Rate and Forum Filing (SERFF) to handle rate and form filings currently, and the state participated in a SERFF Plan Management Phase 1 project to explore the use of SERFF for processes related to the Exchange. The project verified the use of the SERFF system going forward such that carriers will not have to submit duplicative information to the IDOI and an Exchange. During this reporting period, the IDOI took part in all opportunities for discussion and comment with the Plan Management subgroup in order to voice concerns, inform planning, and ensure all IDOI-developed strategies comply with federal guidance. IDOI continues to leverage the information in plan management activities within the department.</p> <p>IDOI continued to participate in regular meetings with Indiana's Health Care Reform and Exchange team and reviewed all released federal guidance relating to plan management, essential health benefits, and market reforms. IDOI worked to develop processes for assuring smooth transition to 2014 plan management requirements regardless of Exchange model. Additionally, the IDOI in concert with the Health Care Reform and Exchange team conducted an additional policy questionnaire for insurers around issues relating to establishing Exchanges in Indiana and began development of a questionnaire related to the market rules NPRM released November 26<sup>th</sup>.</p>
<b>What are some of your Program's significant accomplishments or strengths in this Core Area?</b>	<p>During this reporting period, Indiana continued to analyze and compare all of Indiana's EHB benchmark plan options that were identified in the last reporting period. The team compared Essential Health Benefits in accordance with Indiana insurance code to identify best fit and alert legislators to any possible changes in legislation that a particular selection may require. After this extensive analysis, Indiana decided to accept the default plan for the initial 2014-2015 period as the plan covered all required state mandates and offered comprehensive coverage in 9 of the 10 EHB categories. Indiana has participated in all federal EHB calls, scheduled specific calls for additional guidance, and conducted detailed review and analysis of all EHB guidance, frequently asked questions, and regulations. In the last reporting period the IDOI developed a checklist of high-level requirements for QHP certification for both the individual and SHOP Exchanges. These checklists continued to evolve with new regulation requirements released during this reporting timeframe. Instructions, requirements, and checklists were developed for Essential Health Benefit and Qualified Health Plan form and rate filings. These items were created to reflect plans that would be submitted both on and off the Exchange, and they continue into final review as the State awaits final regulation. The State released a new carrier survey with questions pertaining to policy around QHPs, market coordination, SHOP, financial management, and the state/federal/partnership Exchange options. In addition, white papers examining QHP vs. non-QHP regulatory requirements, Premium Rate Study, and Risk Adjustment Review were developed and revised. Additionally, in response to federal guidance relating to expected assessment fees in a federal Exchange model, projects were initiated to analyze the impact of this on the Indiana market. Analysis of the possibilities for an open enrollment period for issuers offering on the off-Exchange market was completed as well as analysis of network adequacy standards and research on essential community providers in Indiana. Analysis and research continues in relation to released guidance.</p> <p>Staff attended a variety of SERFF meetings regarding the development and progress of the Plan Management functionality being developed for SERFF. The IDOI continues to monitor activities related to SERFF enhancements and regularly participates in all calls. Indiana has been attending the CCHIO Plan Management workgroup phone calls. The IDOI participates in all NAIC sponsored calls and regularly provides comments in regards to plan management implementation. FSSA and IDOI participated in the NAIC SERFF Scope Definition meeting, and reviewed and commented on the Scope document as well as development of Key Business Requirements and technical requirements.</p>
<b>What are some of the significant barriers your Program has encountered?</b>	Uncertainty during the time spent awaiting the Federal and State elections as well as time spent awaiting guidance has been the most significant barrier. Digesting released guidance in the short timeframes allowed for comment has also been a challenge.
<b>What strategies has your Program employed to deal with these barriers?</b>	The State planned appropriately and to the extent possible given the level of uncertainty prior to election outcome as to implications on the Exchange project. Once election outcomes were known, legislative briefings were prepared in anticipation of legislative decision-making for the new legislators, and Exchange team meetings were conducted to revise projections and review potential decision scenarios and outcomes. Resources have been allocated as possible to assure coverage and comprehension of all federal guidance releases and calls related to the Plan Management function.

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				

### A. Core Areas Risk Adjustment and Reinsurance

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Risk Adjustment and Reinsurance
What are the primary strategies your Program has used to approach this Core Area?	Over the past six months, the healthcare reform team has reviewed regulations related to financial management, risk adjustment, and reinsurance. This information was then used to update cost and data projections; and points of concern and clarification were addressed with appropriate federal government contacts. After a great deal of review, discussion, and consideration, Indiana decided that the cost of program administration was restrictive, and that it would defer to the federal government for the administration of these programs.
What are some of your Program's significant accomplishments or strengths in this Core Area?	During this reporting period, the State reviewed federally released regulations, comparing and contrasting state-operated risk adjustment with federally-operated risk adjustment and reinsurance programs in terms of resources and cost. The review identified the portions of the HHS methodology modifiable by the State, should it choose to operate its own risk adjustment program, as well as infrastructure that would be necessary in a state-operated program, such as a statewide all-payer database. Potential pitfalls around the coordination of a risk adjustment program with risk corridors and reinsurance, audit requirements, and timelines were also discussed. It was determined through review and discussion that the implementation of a state operated risk adjustment model would require significant resources, including implementation, training, and testing of the process both internally and in interaction with the health plans. Indiana has been participating on the CCHO risk adjustment and reinsurance user group calls. After a great deal of consideration, the State decided that it would defer a risk adjustment and reinsurance programs to the federal government.
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				

## A. Core Areas Small Business Health Options Program (SHOP)

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Small Business Health Options Program (SHOP)
What are the primary strategies your Program has used to approach this Core Area?	Indiana has spent considerable time evaluating the policies surrounding the SHOP, as proposed by the Affordable Care Act. Assessments and questionnaires conducted during the planning grant period helped the State to anticipate how many businesses and employees may use the SHOP. Indiana's strategy has been to develop policy for a potential state-based SHOP that leverages the current strengths of Indiana's robust small group market, particularly the strong network of brokers. In this period, SHOP-specific questions were included on an issuer questionnaire and the responses were analyzed and reported internally. Additionally, the State stayed abreast of SHOP-related guidance and development and submitted SHOP-related questions to CCHO.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Indiana participated in the CCHO SHOP user group calls and promptly reviewed all guidance released regarding the SHOP. The State has also discussed the options surrounding premium aggregation and premium collection in the SHOP, as required by the federal statutes and regulations. Indiana also continues to evaluate the defined contribution model and has analyzed this model in the context of non-state based Exchanges and newly-released SHOP guidance.
What are some of the significant barriers your Program has encountered?	It is not believed that an Indiana SHOP Exchange will have robust participation, based upon the number of small employers that may choose to drop insurance and the availability of small group policies on the outside market.
What strategies has your Program employed to deal with these barriers?	The most recent issuer questionnaire did assess issuer interest in participating in a SHOP Exchange.

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				

### A. Core Areas Organization and Human Resources

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIEI10065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Organization and Human Resources
What are the primary strategies your Program has used to approach this Core Area?	In developing a cost model, projections included leadership and staffing needs, as well as anticipated Exchange enrollment volume and timeframe. Needs were identified should Indiana pursue additional grant funding.
What are some of your Program's significant accomplishments or strengths in this Core Area?	As mentioned in previous grant reports, draft articles of incorporation have been prepared and within those, an organization was contemplated that included representation from the State and from external stakeholders such as providers, consumers, and advocacy groups, etc. A draft staffing model was prepared for each Exchange model: state-based, federally facilitated, and state-federal partnership.
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				



### A. Core Areas Finance and Accounting

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
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### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Finance and Accounting
What are the primary strategies your Program has used to approach this Core Area?	As noted in the grant application, to develop the financial management structure and accounting systems for the Exchange, Indiana sought aid from outside consultants, including experienced accountants. Once all Exchange design decisions that could impact the financial management structure are finalized, the HCR team will work to develop the financial management structure and accounting systems of the Exchange. The State recognizes that that Exchange must be self-sustaining in 2015.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State has continued to revise the cost model assumptions based upon policy decisions, additional federal guidance, and other changes to the business model. Staff from FSSA, IDOI, and IT business units was involved in the creation of the assumptions, and costs were developed for all Exchange models: state-based, partnership, and federally-facilitated.
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

### B. Exchange Activity

Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1 Long-term operational cost, budget, and management plan		5. Complete	Indiana completed a cost model for all HIX options.

### A. Core Areas Technology

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### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Technology
What are the primary strategies your Program has used to approach this Core Area?	<p>Technology continues to be an area of significant focus. The new requirements of ACA, including the Exchange requirements, have created a challenging IT environment. Overall readiness of the State's existing suite of technology, including hardware and applications used to support an Exchange was a risk that was identified early in the Exchange assessment. Both the Medicaid Management Information System (MMIS) and eligibility systems are around 20 years old, and Indiana, like many other states, is taking advantage of enhanced federal funding to replace these systems. Eligibility and enrollment staff have worked closely with the healthcare reform team to coordinate discussions and decisions regarding an Exchange with the respective system upgrades. While not funded by the Exchange grant, the MMIS and ICES replacements are a related milestone from the past six months. Bids for both system upgrades were completed during the grant period, and contracts were awarded to vendors. Success of the system implementations hinges upon timely and complete guidance from and testing with the federal government, including the readiness of the federal hub and FFE. It should be noted that the State has focused on alignment with the MITA architecture as well as other security standards. Indiana continues its strategy to survey the vendor community and other states to ensure work completed in other states can be leveraged in Indiana where appropriate.</p> <p>The Indiana Department of Insurance, through work on both the Exchange and Rate Review grants, continues to evaluate necessary changes and updates to the SERFF system in order to be ready to incorporate changes to the current plan management structure, as detailed earlier in this report.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State monitored federal guidance by participating in HHS &amp; CMS calls and reviewing CALT documents. The State also collaborated with the federal government to seek answers to open questions. As previously noted in this report, the healthcare reform team is working with MMIS and ICES staff as the current systems are upgraded and replaced. Staff has also reviewed all guidance related to the federal hub and coordination with a federally-facilitated Exchange for coordination with the states' current and future eligibility and enrollment procedures. This work has included developing appropriate language in respective IAPDs with federal partners.</p> <p>During the grant period, the State completed an assessment of its current call center environment and structure, i.e. hardware, software, users, call flow; working with the blueprint architectural model within that structure; and review of the I3 technology platform capabilities. This included an assessment of both FSSA and IDOI structures.</p>
What are some of the significant barriers your Program has encountered?	<p>The most significant barrier has been the absence of necessary federal guidance related to the Exchanges. Specifically, detailed protocol, expected Exchange transfer documentation, any known way to interoperate with the federal data hub, and any specific requirements around security must be released immediately if these items are expected to be incorporated into any solutions.</p>
What strategies has your Program employed to deal with these barriers?	<p>As noted above, the State continues to prepare to the extent possible for the needs of a federally-facilitated Exchange.</p>

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Compliance with HHS IT Guidance		3. On Schedule	

### A. Core Areas Privacy and Security

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
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### A. Core Areas

(1) Question	(2) Response
<b>Core Area and Business Function</b>	Privacy and Security
What are the primary strategies your Program has used to approach this Core Area?	The State is aware of and adheres to current federal privacy and security requirements due to existing data sharing between the State and the federal government; and the State will continue to adhere to all issued guidance in this area.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Since the last report, the State participated in federal calls related to privacy and security guidance. The State reviewed the IRS final rule guidance on privacy and security and updated relevant high-level business and technical requirement documents.
What are some of the significant barriers your Program has encountered?	Specific guidance is needed on ways in which the State will interact and share information with the federal data hub in order to assure that the necessary privacy and security protocols can be developed, tested, and approved prior to the start of open enrollment in 2013.
What strategies has your Program employed to deal with these barriers?	Indiana continues to urge the federal government to provide all the necessary guidance to plan and prepare for late 2013 implementation of Exchanges.

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Privacy and Security standards policies and procedures		3. On Schedule	Indiana Medicaid is preparing to meet all requirements, particularly as related to passing information via the federal hub.

### A. Core Areas Oversight, Monitoring, and Reporting

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Oversight, Monitoring, and Reporting
What are the primary strategies your Program has used to approach this Core Area?	In regards to the program integrity and oversight of the grant project, attention has been given to monitoring the flow of the funding and the quality of the products produced by vendors prior to payment. The strategy has been to track the performance of individuals and/or vendors staffing the grant and the payments associated with their work. The State has managed the flow of funding and addressed financial integrity and the prevention of fraud, waste, and abuse as it relates to the Exchange grant. Contractual issues have been monitored and addressed, and adherence to the budget and to performance metrics has also been monitored. Timely billing, in accordance with contract terms, has been enforced. Additionally, the State has identified the Medicaid eligibility and enrollment needs to be funded by IAPDs.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Monthly dashboards for the Executive Team were prepared to report on contract performance, including all expenditures billed to and paid for by the grant. The State participated in the all-grantee meetings and calls.
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Routine oversight and monitoring of the Exchange's Activities		3. On Schedule	
2	Track/report performance and outcomes metrics related to Exchange Activities		3. On Schedule	
3	Uphold financial integrity provisions including accounting, reporting, and auditing procedures		3. On Schedule	

### A. Core Areas Contracting, Outsourcing, and Agreements

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Contracting, Outsourcing, and Agreements
What are the primary strategies your Program has used to approach this Core Area?	During this grant reporting cycle, no new significant contracting items have taken place.
What are some of your Program's significant accomplishments or strengths in this Core Area?	
What are some of the significant barriers your Program has encountered?	
What strategies has your Program employed to deal with these barriers?	

### B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				

### A. Core Areas State Partnership Exchange Activities

<b>1. Federal Agency and Organization Element to Which Report is Submitted</b> Centers For Medicare & Medicaid Services	<b>2. Federal Grant or Other Identifying Number Assigned by Federal Agency</b> HBEIE110065	<b>3a. DUNS</b> 083384771  <b>3b. EIN</b> 1356000158C3	<b>4. Reporting Period End Date</b> 12/31/2012
<b>A. Core Area with associated Milestones</b>			

### A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	State Partnership Exchange Activities
What are the primary strategies your Program has used to approach this Core Area?	As noted in other sections of this report, in each Core Area, the State evaluated the impact of partnership options.
What are some of your Program's significant accomplishments or strengths in this Core Area?	
What are some of the significant barriers your Program has encountered?	
What strategies has your Program employed to deal with these barriers?	

### B. Exchange Activity

#	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1				

**C. Overall Project**

1. Federal Agency and Organization Element to Which Report is Submitted Centers For Medicare & Medicaid Services	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110065	3a. DUNS 083384771	4. Reporting Period End Date 12/31/2012
		3b. EIN 1356000158C3	
A. Milestones (continued) Complete questions for each Milestone.			

**C. Overall Project**

(1) Question	(2) Response
Status of Project	4. On Schedule
Percentage Completed	5. 75-99%
Overall Progress Narrative	<p>Indiana is in the second year of the Exchange grant, having received a no-cost extension in May 2012. Evaluation of the different Exchange models was a key activity of this grant reporting period, including refinement of cost model assumptions. In August 2012, then-Governor Mitch Daniels released a letter to the gubernatorial candidates regarding their preferences for an Exchange. Briefings took place with each candidate, and they provided their feedback regarding a preferred Exchange model. At that time the deadline for submitting an Exchange model preference was November 2012. All candidates either preferred a partnership or Federally-facilitated Exchange (FFE). Governor Mike Pence was elected in November, and he indicated a preference for an FFE in a November 16, 2012 letter to Governor Daniels. The letter also stated he remained opposed to a partnership Exchange, but would let authorities know by February 16, 2013.</p> <p>The State has also focused heavily on plan management, consumer assistance, and eligibility and enrollment functions in the FFE and Partnership Exchange models. The Indiana Department of Insurance (IDOI) has closely monitored NAIC work-groups and federal guidance and is appropriately considering any necessary upgrades to SERFF. Healthcare reform staff has also considered methods for best providing information to consumers and ensuring appropriate consumer protections in the new health coverage marketplace. Finally, eligibility and enrollment - particularly readiness to interact with a federal hub, implement new Medicaid MAGI rules, and draft appropriate IAPDs - have been key foci during this grant period. Stakeholder outreach has continued throughout the grant reporting period, including testimony in legislative hearings and consultations with essential stakeholder groups.</p>
Document approved changes to your Program's work plan	<p>Comments:</p> <p>N/A. Indiana is submitting the current &amp; updated work plan with this grant report. It is attached to this ODLC page.</p>
Please describe any changes to key personnel assigned to this project, including contractual staff	<p>Comments:</p> <p>There were no major staff changes in the agencies between July 1 and December 31, 2012; and contractual staff remains the same. Gubernatorial elections took place in November 2012, and term-limited Governor Mitchell E. Daniels was succeeded by Governor Mike Pence in January 2013.</p>
Request CCTIO consultation	<p>Yes <input checked="" type="checkbox"/> No</p> <p>Comments:</p>

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