

How Are States Progressing in Setting Up State-Based Exchanges?

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Context: Central Role of Health Insurance Exchanges (HIX) in Health Care Reform

- HIX are the key mechanism for implementation of coverage expansions and health insurance reforms adopted in the Patient Protection and Affordable Care Act (ACA)
- HIX have significant responsibilities in both the private and public markets, including determination of eligibility for Medicaid and tax subsidies, enrollment in qualified health plans, risk adjustment and re-insurance.
- The ACA provides States with “...significant flexibility in the design and operation of their Exchange to best meet the unique needs of their citizens and their market place”

Tight Deadlines for Exchange Operations!

- Regulations implementing the Affordable Care Act require HHS to approve or conditionally approve State-based Exchanges no later than January 1, 2013, for operation in 2014.
- Although substantial federal funds are available to support the establishment of state-based exchanges and to enhance Medicaid eligibility systems, the policy and IT development lifecycles for state systems can be prolonged and difficult to reconcile with deadlines for exchange “go-live” dates in 2014.

Key Challenge: Integration of HIX and Medicaid Eligibility and Enrollment

- Exchanges are required to determine eligibility for and coordinate enrollment in Medicaid, CHIP, and state health subsidy programs using: (ACA §1413)
- A single, streamlined eligibility form for all programs
 - A “secure, electronic interface”
 - Multiple access points: internet, mail, phone, in person
- See [Guidance for Exchange and Medicaid Information Technology \(IT\) Systems, Version 2.0 May 2011](#)

HIX: Flexible Options for States

State-based Exchange

State Partnership Model

Federally-facilitated Exchange



States may use Federal Services for:

- Premium tax credit determinations
- Exemptions
- Risk Adjustment
- Reinsurance

States operate:

- Plan Management and/or
- Consumer assistance

States may also run:

- Reinsurance
- Medicaid & CHIP eligibility determinations

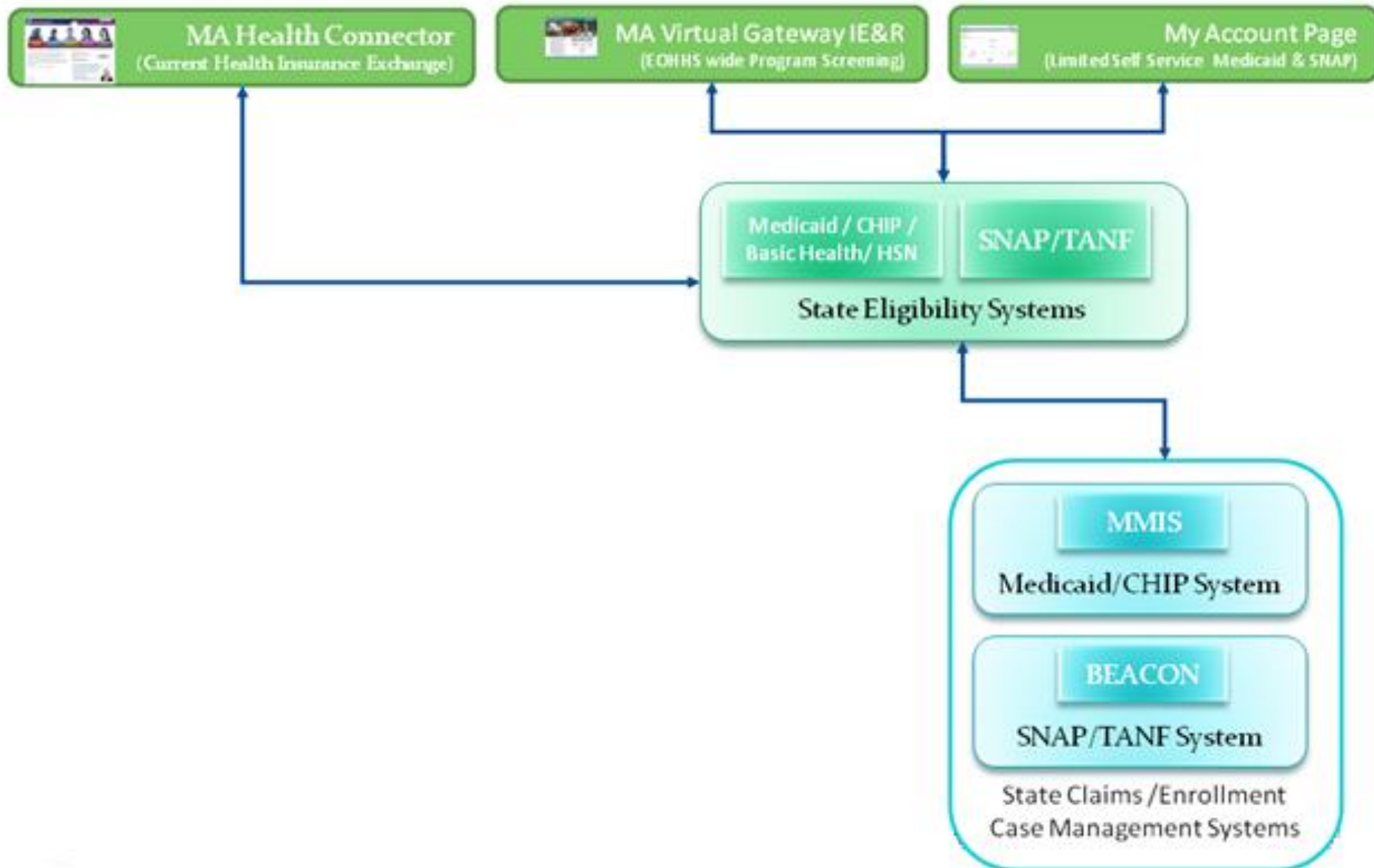
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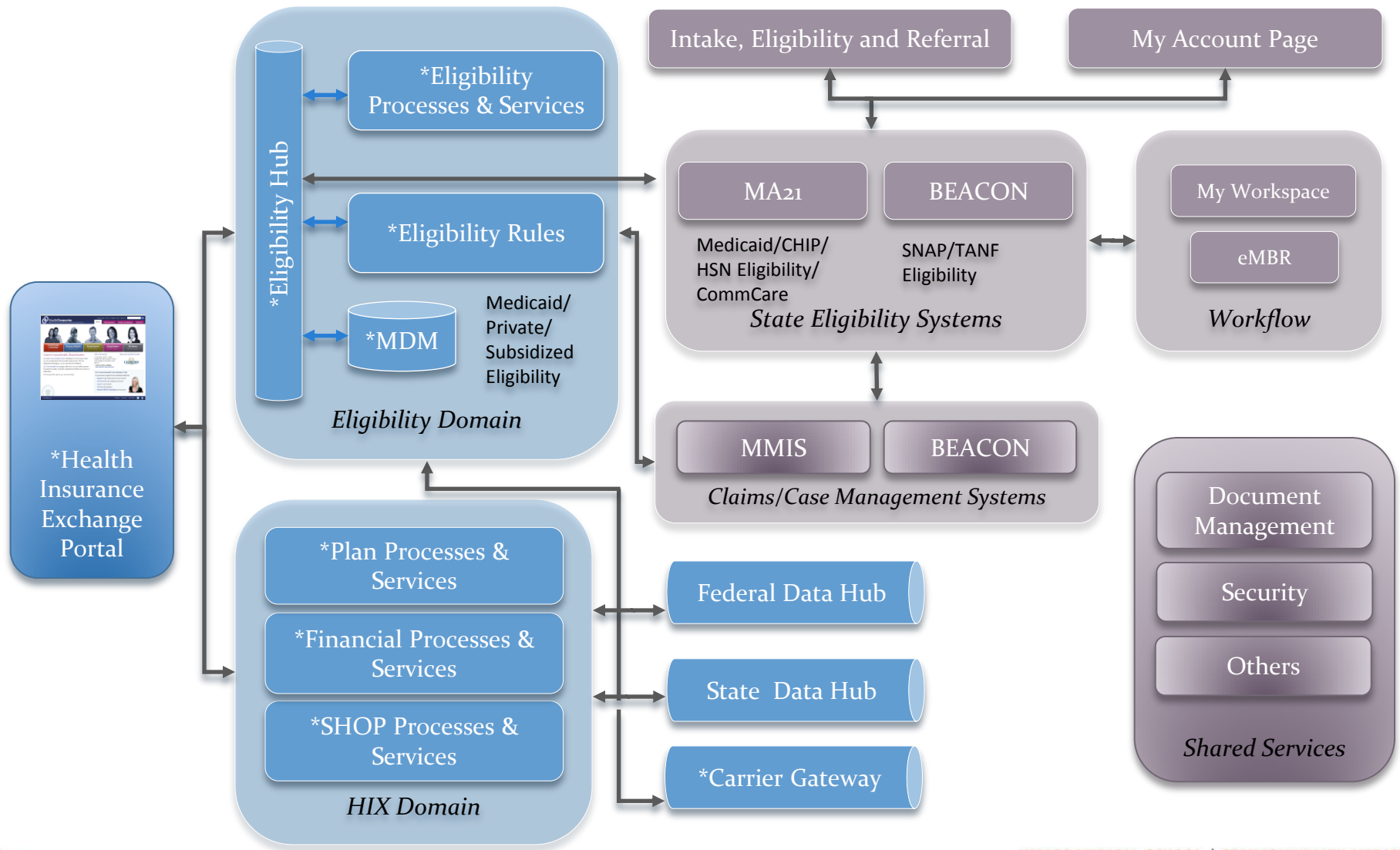
CCIO Funded Early Innovator (EI) Cooperative Agreement Program

- EI states are charged with designing and implementing the information technology (IT) infrastructure needed to operate HIXs and to develop “reusable and transferable” technology components
- EI states include Maryland, Massachusetts, New York, and Oregon.
- The Massachusetts Early Innovator Grant (a.k.a. [The New England Collaborative for Insurance Exchange Systems](#) or NESCIES) is focused on creating an ACA compliant HIX and Integrated Eligibility System (HIX/IES) for MA that includes components and services that may be leveraged by other states.

Current Massachusetts Systems

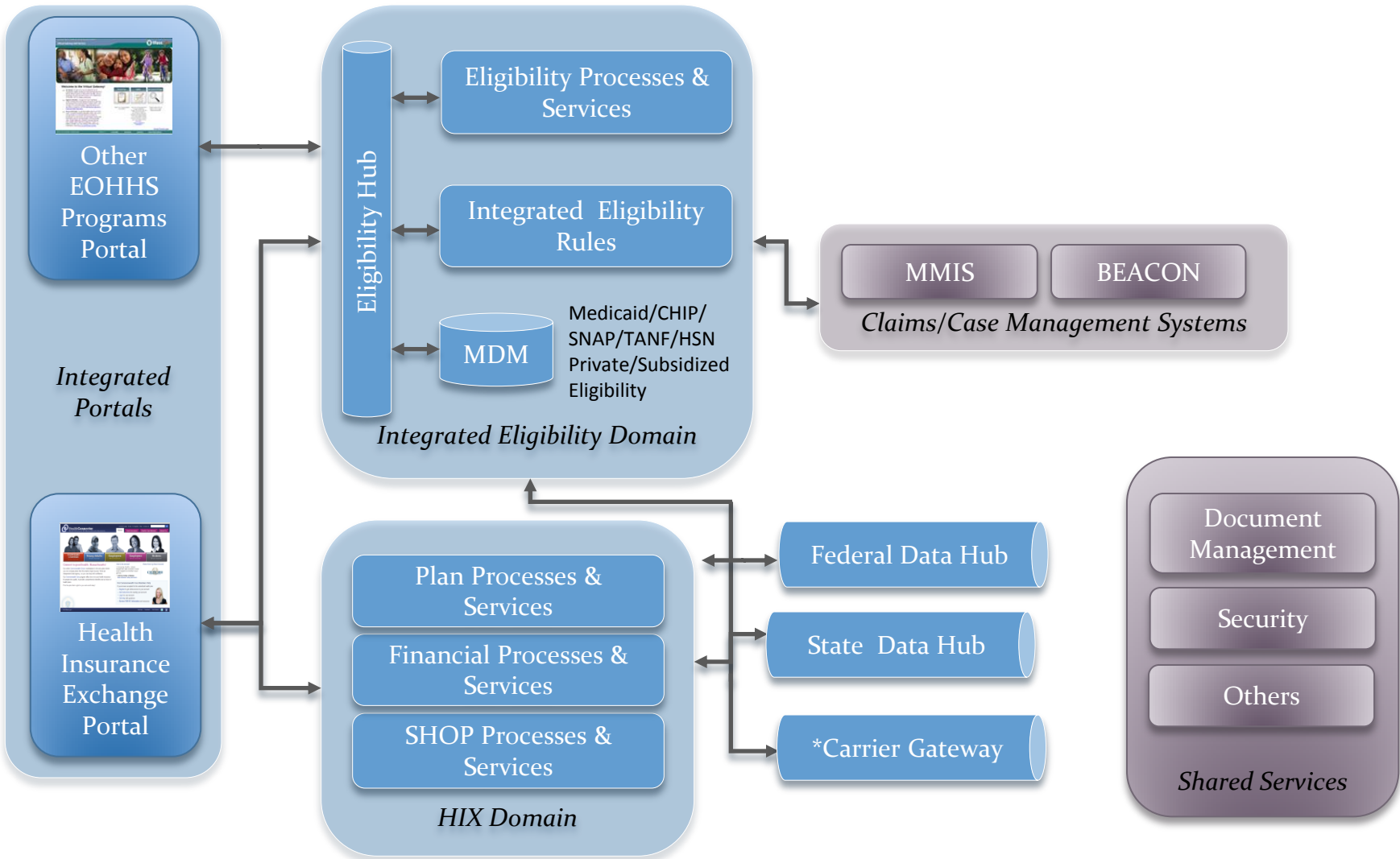


2014 MA Updated Medicaid and HIX Systems



* Reusable components

2015 MA HIX and Integrated Eligibility System



Technology Opportunities and Challenges for State-Based HIX

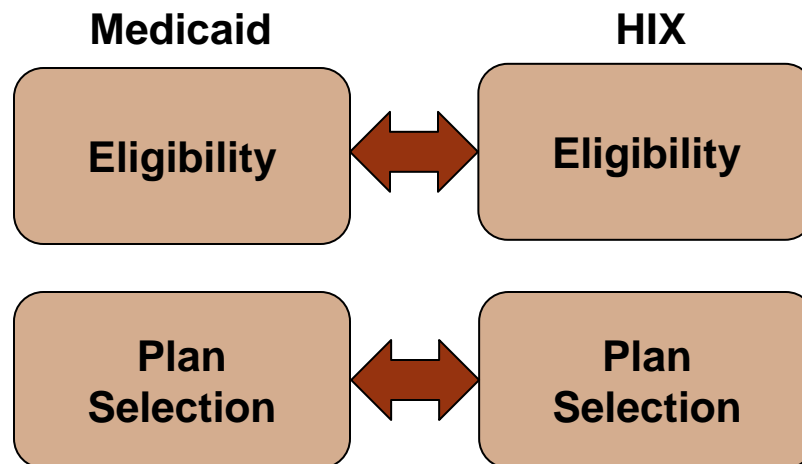
- Opportunities:
 - Once in generation (?lifetime) opportunity to modernize Medicaid Eligibility Systems
 - Opportunity to leverage federal match to build integrated eligibility system for all HHS programs
 - Opportunity to leverage other states' and federal technology and services
- Challenges
 - Time! Window of opportunity may be closing
 - Technology expertise and resources
 - Procurement processes and political will
 - Technology decisions are being made in advance of major policy and programmatic decisions

Today's Panel

- **Jon Kingsdale**, Managing Director
Wakely Consulting Group
- **Jennifer Kent**, Principal
Health Management Associates
- **Stan Dorn**, Senior Fellow
Urban Institute

Key Issue: Degree of Integration with Medicaid and other State Systems

- Medicaid options range from independent to fully integrated systems



- Integration with other social services (CHIP, TANF, etc.) encouraged.
- Ownership and governance of shared systems may be challenging depending on governance models.

State Considerations When Looking For Information Technology Solutions

- Look at states with similar IT profiles and business processes
- Consider the costs/benefits and timing of various technological approaches
- Don't start from scratch - Leverage other states' and federal deliverables and services

Don't go it alone! We're all trying to meet the same deadlines/deliverables!

MA Proposed Eligibility System

