

Office of Consumer Information and Insurance Oversight

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

Reporting Templates

Quarterly Project Reports

Date: 7/17/12

State: West Virginia

Project Title: State Planning and Establishment Grants for the Affordable Care Act's Exchanges

Project Quarter Reporting Period: Quarter 7 (4/1/12-6/30/2012)

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Project Summary

Please provide a narrative description (about 5-10 sentences) describing your progress so far in planning activities under each core area. We would like to know what activities you have undertaken to date and what you plan to undertake in the next quarter. Please refer to the Reference section at the end of this template for some examples of what you could include under each core area.

Core Areas

• **Background Research**

Having accurate information on various aspects of the health insurance market is essential for states developing plans for the health insurance exchange. Such information serves as the backbone of any actuarial models; business and operational plans; education and outreach plans; technological assessment plans; and, ultimately, the development of an overall project strategic plan. This data is also essential when educating and discussing policy directions with executive and legislative policymakers; consumer groups; private carriers; producers; and all other interested stakeholder groups. West Virginia continues to perform extensive research as part of the planning and development for the health insurance exchange. The OIC has been able to build upon already existing efforts by performing further analysis of existing market dynamics and measuring the number of consumers and businesses.

West Virginia continues to perform extensive research as part of the planning and development for the health insurance exchange. The OIC has been able to build upon already existing efforts by performing further analysis of existing market dynamics and measuring the number of consumers and businesses. West Virginia issued a significant research Request for Information (RFI) for actuarial and economic modelling policy purposes for the health insurance exchange. It was released to vendors in March 2011 and ten responses were submitted. The information provided greatly benefited the State in developing a Request for Proposal for baseline research. The State is also exploring data measurement through the State Health Access Program (SHAP) grant's clinical portal. This clinical portal could serve as a means to collect (consumer/provider) health data and health system utilization information for the uninsured. West Virginia's efforts toward development of an All Payer Claims Database (APCD) have progressed. West Virginia has studied the issue extensively and in 2011 the West Virginia Legislature passed APCD legislation via House Bill 2745. Legislative rules have already been developed for the APCD and it is expected that data will be first collected starting in 2013.

The OIC released the final Request for Proposal (RFP) for the actuarial assessment and economic modelling in February; this will provide the vital information necessary for further development of the exchange. The delay in this release has created a shift in the timeline of the overall work plan of the Planning Exchange Grant, which is one of the factors that led to the need for a No Cost Extension that was requested and approved last quarter. In terms of budget items, this single RFP accounts for a large portion of the overall work of the PEG.

***Q7:** Three responses to the baseline research RFP have been received and reviewed; vendors have presented and the OIC is now finalizing evaluations of the bids. It is anticipated that a contract will be awarded by the end of July. Other research initiatives are being carried out using Level One Establishment Grant funding.

Stakeholder Involvement

West Virginia has committed itself to an extensive stakeholder engagement process. Six state wide stakeholder meetings were held from November 2010 through January 2011; the purpose of the meetings was to actively seek the public's insight into how the exchange could best work for West Virginians (see link for report). Through the funding of the Level One Establishment Grant, the OIC will be able to perform a second series of these town hall style meetings across the state to reach out to more of the general public and interested parties across regions that usually are not as heavily engaged.

http://www.healthbenefitexchangewv.com/images/Stakeholder_Engagement/Stakeholder_Summary_Report.pdf

A State Request for Comment (RFC) was also published, running concurrently with the State's stakeholder meetings; there were approximately 70 responses which resulted in changes to the proposed legislation (see link for responses).

http://www.healthbenefitexchangewv.com/images/Stakeholder_Engagement/West%20Virginia%20Stakeholder%20Response%20to%20Request%20for%20Comment.pdf

In addition, the OIC has made special efforts to reach out to various constituency groups including, but not limited to, producers; medical providers; consumer advocacy groups; constituent state agencies; legislators; business; labour organizations; and carriers. The OIC has standing monthly meetings with four groups separately: consumer advocates, providers, producers, and carriers. There has been consistent participation in the meetings, the purpose of which are to inform the groups on the status of current work on the exchange as well as gain insight into a variety of policy issues. The Exchange team has received positive feedback from participants about the value of the meetings, which is also highly appreciated by the OIC. Having all parties becoming educated and aware of current Exchange issues is a priority, especially so that when a Board is appointed and policy issues can start to take shape, participants in the decision making process can come into the situation informed and prepared.

Part of engaging stakeholders on a broader basis meant that the OIC needed a better mechanism for sharing information. An updated, more user-friendly website was developed by the Arnold Agency as part of the education and outreach strategy; it currently includes basic information including contacts, calendar, FAQs, and acts as a clearinghouse for documents. Phase three of the website is under development internally by the OIC IT Unit, and will increase the functionality and usability of the site in order to increase the capacity for communication and education for the public as well as existing stakeholder groups. To view the site, please visit www.bewv.com.

The OIC contracted with the Arnold Agency for the creation of an education and outreach strategic plan. This plan incorporates existing outreach strategy documents with a more detailed strategic guide. The Arnold Agency was also contracted to develop a marketing plan and brand development for the Exchange (see links for names currently under consideration and branding strategy session summary). Since the development of the reference work, the contractual relationship with the Arnold

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Agency has ended, leaving the development of the communications plan with the OIC staff internally.

[http://www.healthbenefitexchangewv.com/images/WV Insurance Exchange Brand Action Plan.pdf](http://www.healthbenefitexchangewv.com/images/WV_Insurance_Exchange_Brand_Action_Plan.pdf)

[http://www.healthbenefitexchangewv.com/images/Insurance Exchange Name and Tag Options.pdf](http://www.healthbenefitexchangewv.com/images/Insurance_Exchange_Name_and_Tag_Options.pdf)

Final selection of the name for the West Virginia Health Benefit Exchange will be undertaken by the Exchange Board. Arnold also undertook, in partnership with a subcontractor, a series of focus groups across the State that targeted the small business community and individuals, with the intention of gaining perspective into health insurance literacy, attitudes, opinions, and other input from the groups as it relates to the Exchange (see link below on Focus Group Summary).

[http://www.healthbenefitexchangewv.com/images/WV Insurance Exchange Focus Group Summary.pdf](http://www.healthbenefitexchangewv.com/images/WV_Insurance_Exchange_Focus_Group_Summary.pdf)

West Virginia also has plans to kick off a series of exchange policy community of interest groups, which will be headed by Exchange Board members and facilitated by OIC staff. These meetings have been discussed with stakeholders in the past and will provide all stakeholders with an opportunity to come together to discuss policy issues in four categories of exchange development: access and outreach; plan development and assessment; budget and finance; and operations (see Stakeholder Engagement Strategy link below).

[http://www.healthbenefitexchangewv.com/images/Stakeholder Engagement/Exchange Stakeholder Engagement.pdf](http://www.healthbenefitexchangewv.com/images/Stakeholder_Engagement/Exchange_Stakeholder_Engagement.pdf)

***Q7.** Stakeholder engagement funded by PEG have been completed; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Program Integration**

The OIC continues to engage constituent state agencies for technical solutions relating to eligibility, enrolment and operations. Steps have been taken to identify issues with each constituent state agency and then meet with that agency to develop collaborative strategies on how to proceed. Policy discussions and exchange of ideas have and will continue to take place with West Virginia Department of Health and Human Resources (DHHR), Children Health Insurance Program, and Bureau for Medical Services (BMS) on several policy areas, especially the potential to integrate technology solutions as it relates to the eligibility and enrollment functions of the health insurance exchange. The OIC participates in weekly meetings with BMS on eligibility and enrollment issues. The need for cooperation with BMS was addressed in the IT Strategic Plan (for more information see Technical Infrastructure section). The OIC and BMS have mapped out the business processes for eligibility and enrolment and have worked together to develop an APD that will address Exchange and Medicaid touch points.

Efforts are also underway with the HCA, GOHELP, BMS, and DHHR to develop an all payer claims database. This database will provide for the baseline information necessary for a successful risk adjustment program in the future; provide consumer outcome quality data on carriers and providers; and provide policymakers and the Exchange Board to evaluate policy initiatives undertaken by the Exchange. The OIC, DHHR, and HCA are required to create a multi-agency MOU to carry out the duties of the APCD.

Finally, efforts are underway to integrate Exchange operations with current OIC functions. This includes but is not limited to integration with Market Conduct, Rates and Forms including the use of SERFF, Consumer Services including the SBS system, Financial Conditions, and Financial Accounting. Currently the OIC is working to determine the roles and potential responsibilities for different departments in relation to Exchange functions. Recently the focus has been on the Plan Management area – looking at the current OIC Rates and Forms department and the capacity of SERFF and the NAIC's proposal to expand SERFF capabilities. The OIC is currently developing a contract with SERFF to make upgrades necessary to handle the business processes of plan management in the Exchange. An internal workgroup is mapping the business process and functions and considering the details that will be required for internal processes to handle the changes required for the Exchange.

***Q7.** Program Integration activities funded by PEG have been completed; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Resources & Capabilities**

Beyond the addition of the four positions that, at least in some part, work on exchange related planning that were added in late 2010, the OIC has not hired any new employees specifically dedicated to work on the Exchange. Those four employees have allowed the OIC to expand development and planning of the exchange and specialize in the following areas: market, demographic and health research; education and outreach; insurance research; and administrative support. The Exchange team has also receives assistance from an information technology employee and an attorney from the legal division within the OIC. While drawing on the expertise of substantive existing resources, exchange planning calls for additional support in legal, regulatory, financial, and information technology areas will continue to be critical in development. With the passage of the enabling legislation, the need for future staffing plans have become a new priority; upcoming federal funding for implementation will give the necessary resources to expand the staff to accommodate the increasing workload.

Because the Board has not yet been appointed so the exemption from state personnel processes cannot yet be utilized and the nature of the hiring process and state personnel policies, the lack of staff resources devoted to the Exchange is still an issue. The OIC is currently relying on the services of outside sources including contracted vendors for a significant number of projects and work items, including project management services. Many planning and research initiatives will be performed by

contracted vendors to overcome the staffing obstacle. The use of contractual services and consultants is planned to increase in the coming months as there are a large number of procurements in the Level One Establishment Grant.

The progress of the Exchange benefits greatly from other OIC departments beyond staff in the Health Policy unit because of the exchange's placement administratively within the OIC. Exchange staff can draw from the expertise of staff in Rates and Forms, Market Conduct, Financial Conditions, Consumer Services, Legal, Agent Licensing and other departments in the OIC as necessary.

***Q7.** No resources have been added using PEG funding; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Governance**

The OIC enabling legislation for the health insurance exchange that encompasses the development of an independent exchange Board administratively located in the OIC was passed as Senate Bill 408 on March 12, 2011. This board will draw on existing administrative resources in State government, primarily at the OIC, but other relevant state agencies as well, through the capacity to develop agreements with state agencies. West Virginia took the approach of having a board with balanced stakeholder perspectives to ensure that all parties involved would be fully engaged in making the State's exchange a success. The Board will consist of 10 members: 4 ex officio state agency members (Insurance Commissioner, Commissioner of the Bureau for Medical Services, Director of the Children's Health Insurance Program, and the Chair of the Health Care Authority); four persons appointed by the Governor to represent individual health care consumers, small employers, organized labor, and insurance producers; one person to represent payers selected by a majority vote of an advisory group of the top ten carriers with the highest health insurance premium volume in the preceding calendar year; and one person to represent the interest of health care providers selected by an advisory group comprised of representatives from 15 provider associations.

The board has not yet been appointed, but OIC staff is preparing for the Board to become active at any time. Bylaws, purchasing policies, personnel policies and advisory panel election rules have been drafted to be presented to the board for approval. Also, the privacy training required by statute has been researched and tentatively arranged. There is also an on-going list being developed of decisions points that the board will need to make priority.

***Q7.** No activity in this area occurred in this quarter; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Finance**

During the State's stakeholder engagement process there have been several discussions about how the exchange will reach financial sustainability by 2015—a priority in the exchange planning process. Staffing plans, information technology options, and many other factors are taken into consideration when researching how to meet financial sustainability. As referenced under the background research section of the quarterly report, a Request for Information was issued earlier in the year to start the process of obtaining the data necessary to address the issue of financing the exchange; a related Request for Proposal for economic modelling and actuarial assessment is currently being finalized; awarding this RFP is a priority as the resulting data will drive many future policy decisions. This research is anticipated to be performed in conjunction with a proposed interim study to be conducted by the West Virginia Legislature. The OIC has also contracted with Berry Dunn to develop a business plan, including beginning to make financial projections for an implementation budget as well as a long-term operational budget. Their work on the business plan will only act as a base until a Board is in place, as important policy decisions will drive the direction of the business plan. A working draft is available here: <http://www.bewv.com/images/wvbusinessplan.pdf>

***Q7.** While a draft sustainability plan has been developed, it was not funded as a PEG initiative; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Technical Infrastructure**

As a result of the State's ITECH10 process, the OIC selected BerryDunn, a strategic planning and project management firm out of Maine, to develop the State's information technology infrastructure strategic plan and gap analysis. BerryDunn performed a current environment assessment of technology applications that are currently being used across state agencies including SBS,WVFIMS, PEIA's IT systems, SERF, APCD, the Health Care Authority's CompareCare portal, MMIS, FACTS, INROADS, and other solutions currently in use at other agencies; the final current environment report is incorporated in the full IT Strategic Plan, linked below. Beyond the strategic plan, this vendor will identify a contractor to provide coordination, facilitation services, and project management for IT related work, and provide assistance in the development of grant applications and procurement documents (RFI, RFQ, RFP) as necessary for health insurance exchange information technology needs (see Project Statement of Work attachment).

<http://www.healthbenefitexchangewv.com/images/IT Project Statement of Work.pdf>.

The OIC has also conducted extensive research on the functionality of the health insurance exchange, examining each individually functioning component in an attempt to create a universe of options. This document continues to evolve and has been made available to the public for input (see Exchange Functional Concept document).

http://www.healthbenefitexchangewv.com/images/Background Planning/Exchange_Concepts.pdf

The OIC released an RFI to gain information about the IT components of the Exchange. Twelve vendor responses were received; these responses are still being reviewed and compiled. The information gained by the RFI will be used to develop the RFP for IT and also guide budget estimates for the Level Two Establishment Grant application.

BerryDunn has also completed the IT Strategic Plan, a significant budget item and work plan goal of the Planning Exchange Grant. The purpose of the IT Strategic Plan is to help the state's executive decision makers prepare by defining the action steps necessary to meet Exchange IT goals, program priorities, and business and system needs. The Plan is also a key component of a Request for Proposal (RFP) for Exchange systems integration, hardware, and software. A highly collaborative approach involving stakeholders from numerous state agencies and the carrier and producer communities was taken in the preparation of this Plan. Based on review of over thirty state IT assets, collection of information from over sixty individuals in state government and the private sector, interviews with three Early Innovator grantees, and a comprehensive review of federal laws, regulations and guidance issued to date, this HIX IT Strategic Plan provides the state with a review of the current environment for West Virginia's Exchange, a gap analysis, a list of strategic IT issues, a list of recommended strategic IT initiatives to address gaps and issues, HIX IT cost considerations, and HIX IT design options.

The HIX IT Strategic Plan identifies:

- Nine state IT assets that could potentially be leveraged in the future Exchange IT environment.
 - RAPIDS, inROADS and SERFF offer the best opportunities for re-use in the future Exchange IT environment.
 - RAPIDS and inROADS would require significant enhancements and additional functionality in order to meet federal Exchange requirement.
- Eleven Technical Gaps and twelve Functional Gaps.
 - All of these gaps must be addressed prior to the Exchange launch in October 2013.
 - For two Technical Gaps and eight Functional Gaps, no IT assets exist in the West Virginia state current IT environment to potentially leverage.
- 44 strategic IT issues, 25 of which were prioritized as "Critical," or must be resolved prior to issuing Exchange IT RFP(s).
- Eight strategic IT initiatives to address the gaps and strategic IT issues.
- Four HIX IT design options for the future Exchange environment.

The full Plan is available to the public on the website at the following address:
<http://bewv.com/images/wv%20health%20insurance%20exchange%20it%20strategic%20plan.pdf>

****Q7.** Technical Infrastructure activities funded by PEG have been completed; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Business Operations**

The OIC continues to research the business operations of various IT and policy scenarios as it relates to the exchange. As part of the IT infrastructure strategic plan, all IT components will be fully investigated and attached to an appropriate business operation plan that integrates the entire IT platform. As part of the economic modelling and actuarial assessments, policy options will be fully investigated and attached to an appropriate business operation. The passage of the enabling legislation means that new business operations issues needed to be taken into consideration before the Exchange's board can begin operations, including bylaws and a mechanism for elections in the advisory board positions; OIC legal staff have drafted procedural rules, advisory board election procedures, and bylaws that will be presented to the Board upon establishment. Some business operations are outlined in the draft business plan, available here: <http://www.bewv.com/images/wvbusinessplan.pdf>

***Q7.** Business Operations activities funded by PEG have been completed; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

- **Regulatory or Policy Actions**

In March 2011, the West Virginia Legislature passed Senate Bill 408, which was introduced as a modified version of the NAIC health benefit exchange model. SB 408 created a new article in the WV Code, 33-16G, to establish a health benefit exchange. This bill authorizes the establishment of the exchange administratively within the OIC with an autonomous board. The following are key provisions of SB 408:

- The Exchange Board has legislative and emergency rule making authority.
- The Exchange is exempted from the rules of State Purchasing and State Personnel and is expressly permitted to enter into contracts with state or federal agencies as well as other state exchanges.
- The legislation creates the WV Health Benefit Exchange Fund in the State Treasury, which is created for the purpose of paying for the operations of the Exchange.
- The bill sets up a 10 person governing board – 4 agency heads (OIC, HCA, Medicaid and SCHIP); 4 governor appointees (individual consumers, small employers, labor and producers) and 2 selected by advisory committees of the group represented by the member (provider and payer); the governor appoints the chair.
 - Governor appointed members will serve staggered terms and after the first series of terms will serve 4 year terms. Board members are to be made with advice and consent of Senate.
 - Members of the Board are not entitled to compensation for services performed as members but are entitled to reasonable reimbursement for costs incurred while performing Board duties.
 - Seven members of the Board constitute a quorum, and the affirmative vote of six members is necessary for any action taken by vote of the Board.
 - The Board must undergo ethics training within 6 months of appointment and every 2 years thereafter.

The specified duties outlined by the legislation require the exchange to:

- Consult with stakeholders, including but not limited to consumers, carriers, producers, providers and advocates for hard to reach populations;
- Meet specified financial integrity requirements;
- Promulgate rules to achieve federal certification;

The Exchange Board may establish ad hoc or standing advisory committees of consumers and other stakeholder groups or interested parties to study particular policy issues and to advise the Board. The Exchange Board must make an annual report for the Governor and also file it with the Joint Committee on Government and Finance.

After July 1, 2011, the Board is authorized to assess fees on health carriers selling qualified dental plans or health benefit plans in this state, including health benefit plans sold outside the exchange, and shall establish the amount of such fees and the manner of the remittance and collection of such fees in legislative rules. Fees shall be based on premium volume.

Exchange development activities are contingent upon sufficient federal resources. If the ACA were to be invalidated or repealed, the Exchange Board will issue recommendations to the Legislature for amendments to this article as necessary.

In preparation for the Exchange Board, the OIC has drafted personnel and purchasing policies; created an Exchange Fund; drafted staffing options; identified members of groups that will select Board members; and crafted draft bylaws for consideration by the Board.

The legislation itself remains to be the extent of the regulatory action to date, as the Board has not yet been appointed.

***Q7.** Regulatory and Policy activities funded by PEG have been completed; further initiatives in this area will be funded by Level One Establishment Grant funding, and therefore not reported in PEG quarterly reports.

Barriers, Lessons Learned, and Recommendations to the Program

Four areas that would help improve the planning and development of the health benefit exchange.

1. First, progress is still being slowed because of state purchasing and personnel rules. Efforts are being made to efficiently package Exchange research and development procurements. With the adopted Exchange legislation, the OIC received legal authority to expedite these processes by receiving and exemption from the state purchasing and personnel processes which will hopefully alleviate the burden of the current process, but because the board has not yet been appointed, the exemptions cannot yet be utilized. Partially due to the purchasing barrier, the state requested and received a no-cost extension for PEG funds that were originally budgeted as contractual services.
2. Second, the ability to timely respond to stakeholders on various policy questions has been slowed by the relatively slow response time to several exchange related questions posed to CCIO. It is imperative that questions be answered as quickly as possible so that stakeholders fully understand the parameters of exchange options available to the state. Many stakeholders are growing frustrated that we cannot yet answer policy

questions, answers to which do not exist because of lack of direction from the board (because it does not yet exist) and lack of federal guidance.

3. Third, while the Supreme Court Ruling has alleviated some of the uncertainty over the future of the ACA, it also created a new list of issues that have complicated Exchange planning in some respects.
4. Because the board has not yet been appointed as originally anticipated at the beginning of long term planning, it affects many aspects of planning and readiness to act on a variety of issues, as reflected in the narrative of this report. This has greatly affected the timeline and work plan for many planning activities, as many decisions to guide future direction may only be directed by the board.

In terms of lessons learned, the OIC has gathered excellent input from various in-state and national stakeholder groups and experts through a number of engagement strategies. It is highly recommended that states include all stakeholder groups from the beginning of the research and development process. West Virginia's exchange planning efforts have benefited from these meetings as it allows for specific concerns to be raised and addressed in a more organized manner. There is a tremendous learning curve and to gain knowledge from the processes of other jurisdictions will help states avoid mistakes and focus on proven successes.

Technical Assistance

The technical assistance needs identified in the original grant application are still the main focus of West Virginia's efforts. Actuaries, economists, insurance program expertise, education and outreach, and information technology infrastructure are all crucial areas where technical assistance is needed. Another core area where technical assistance would be helpful is in the development of a long term exchange budget and plan for sustainability. West Virginia's planning exchange grant objectives consider these needs and steps are under way to bring in vendors to assist with these areas.

Draft Exchange Budget

The OIC released a Request for Information (RFI) for the IT components of the Exchange; the responses have been reviewed and have been incorporated into the development of an Exchange Financial Sustainability Model which is still being completed.

Budget estimates listed below are contingent upon available funding through federal grants. Currently the OIC is utilizing funds from two separate grant sources for exchange planning and development purpose- the Planning Exchange Grant (PEG) and the Level One Establishment Grant.

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Function*	FFY 2011* (\$)	FFY 2012* (\$)	FFY 2013* (\$)	FFY 2014* (\$)
Personnel plus Fringe	1,000,000	1,250,000	1,250,000	1,250,000
Stakeholder Engagement, Education and Outreach	500,000	2,600,000	6,500,000	2,000,000
Exchange IT	500,000	16,100,000	10,000,000	1,000,000
IT Medicaid (eligibility and enrolment)	500,000	2,000,000	8,000,000	2,000,000
Policy, Actuarial and Economic Research	1,000,000	750,000	300,000	100,000
Alternative Access to Exchange	100,000	700,000	1,000,000	4,000,000
Other, including Operations	1,000,000	1,500,000	500,000	500,000

*Budget is an estimate.

Budget Item 1. Personnel and fringe amounts are based on estimated calculations of current staff and staff anticipated to be hired. Currently, the Level One Establishment grant serves as the source of funding for personnel and fringe benefits. These estimates do not incorporate payments to navigators, producers, call center services or several other technical functions anticipated to be contracted out. Based on current evaluations, estimates are anticipated to be lower than originally projected.

Budget Item 2. Stakeholder Engagement, Education and Outreach estimates are based on initial expenditures focused primarily on development of an education and outreach strategic plan; public meetings; planning Exchange website improvements; and community of interest group activities. Starting in 2013, more intensive education and outreach efforts will begin to educate consumers about the availability of coverage, mandate penalties and marketing for the Exchange. A full media campaign will be launched in the quarter preceding the coverage expansions of 2014 and through the initial enrollment period. Funding for these efforts will stem from Consumer Assistance grants; the Planning Exchange grant; and Exchange implementation grants. Efforts will be made to secure funding from other sources for this purpose, including partnerships with carriers, Medicaid, CHIP, national health coverage organizations and navigator groups. These estimates are subject to change.

Budget Item 3 and 4: Exchange information technology infrastructure is widely recognized as the most costly element of the Exchange development. West Virginia released a procurement document, with pre-approved vendors on the West Virginia Office of Technology contract, for the development of a strategic plan for information technology; the contract was awarded to BerryDunn, formerly BDMP, who has

completed work on the IT gap analysis, continues to provide project management, and has submitted the current environment assessment and IT Strategic Plan. In December they released an IT RFI and received 12 responses, the information from which will be used when writing future Establishment Grant applications, particularly to make estimates of the cost of the IT elements. West Virginia is currently working with constituent state agencies; carriers; consumers; providers; producers; and other State stakeholders to determine what components need to be developed and how to most efficiently build effective IT infrastructure. Discussions with the WVDHHR, State Medicaid office, WVCHIP, and GOHELP have been underway for months and strategies are being considered for the development of eligibility and public coverage enrollment systems through these entities. Cost estimates have been developed within an IAPD, but are pending approval of all state entities involved in the process. West Virginia is also exploring partnering with other states on IT infrastructure, including the State of Maryland to which West Virginia has signed a letter of support for their Innovator Grant application. West Virginia has also talked unofficially with other States about potential future partnerships on IT development. Funding for these efforts will stem from the planning exchange grant; exchange implementation grants; exchange sustainability funds in 2014 and MITA funding. Efforts will be made to secure additional funding from other governmental and nongovernmental sources. Projected estimates are expected to be higher than originally estimated in budget document.

Budget Item 5. Market, policy, actuarial, and economic research estimates are based on initial expenditures for upfront research and subsequent research projects as federal rules and state policy decisions become available. The OIC continues to engage State stakeholders; policymakers; and constituent State agencies on the research that needs to be conducted to inform policymakers of options available. The OIC has also engaged other jurisdictions to discern what research projects are being planned or underway in way of planning for the Health Benefit Exchange. Funding for these efforts will stem from the Planning Exchange Grant; Exchange Implementation grants; and the Rate Review grant. Efforts will be made to secure additional funding from other governmental and nongovernmental sources. These estimates are subject to change.

Budget Item 6. Alternative exchange access expenditures encompass plans for a community kiosk; producer and navigator payments; telephone hotline; and other efforts as it relates to expanding access to the exchange in West Virginia communities. Initial expenditures will be for research and development of community kiosks. Early expenditures also include the development of training for navigators and producers. Expenditures in 2014 are expected to be quite large for producers and navigators as citizens are most likely to utilize these services at the onset of the exchange, with the longer term trajectory likely seeing a marked decline. This will be further studied. Funding for these efforts will stem from the Planning Exchange Grant; the Exchange Implementation grants; and exchange sustainability funds in 2014. Efforts will be made to secure additional funding from other governmental and nongovernmental sources. These estimates are subject to change.

Work Plan

This work plan reflects a modified consolidation of the work plan originally submitted in the planning exchange grant application; timeframes for most actions have been shifted because of various hindrances listed within the narrative of this report. Note that to meet the amended targeted timeline and milestones for projects goals within PEG, the OIC filed and received a no-cost extension in order to complete the originally proposed contractual projects.

- Objective 1: Represents the baseline research components of West Virginia's exchange planning and development. This objective includes the consumer surveys, market surveys, actuarial assessments, economic modelling, policy modelling, and development of a business plan as reflected in separate objectives in the original grant narrative; these four budget items will be included in a singular procurement; the RFP was released and the OIC is in the process of reviewing the bids that were submitted. This more streamlined approach is intended to expedite the research procurement process, while ensuring that the necessary research and data are appropriately and timely collected. The budget projection attributed to these efforts, while collapsed for the purpose of this chart, still reflects the aggregated total of the separate objectives in the original grant application.
- Objective 2: Covers Education and Outreach efforts for the Health Benefit Exchange. This objective expands on the original grant application objective for the education and outreach strategic plan. However, the projected budget amount for the education and outreach strategic plan remains the same. It is anticipated that implementation of the strategic plan for education and outreach will be covered by other funding sources, including a significant amount in the Level 1 Establishment Grant. For more information about the work within the education and outreach aspects of the planning activity, please see the Stakeholder Involvement section of this report.
- Objective 3: Encompasses the Information Technology Strategic Plan and the process for developing other information technology procurements to move forward. This objective expands on the original grant application objective for the Information Technology Strategic Plan, including a Current Environment Assessment and IT Gap Analysis. The projected budget amount for this IT Strategic Plan has been changed from the dollar amount originally in the grant application; \$87,725 was moved from the Project Management category to the IT Strategic Plan line. HHS was notified of this change, and the total amount that has been adjusted falls below the threshold for approval. It is anticipated that other IT procurements and planning will be funded by other funding sources.
- Objective 4: Encompasses the facilitation efforts and project management assistance of the health insurance exchange planning grant. This objective, while more detailed, remains the same as in the original grant application. It is being considered to include

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facilitation services as part of the education and outreach strategic plan procurement, which will be a piggyback off of an existing State contract. Some funds from this category were reallocated for additional work in the IT Strategic Plan category.

Objectives	
Objective 1: Baseline Research	
Action Steps:	Timeframe:
1. Determine what research metrics need to be collected	October 2010 – March 2011
2. Develop RFI for economic, policy, actuarial, market, industry and consumer research	November 2010 – January 2011
3. Review RFI submissions and incorporate into RFP	February 2011 – March 2011
4. Develop RFP for economic, policy, actuarial, market, industry and consumer research	March 2011 – February 2012
5. Post RFP and review responses upon submission	February 2012 – July 2012
6. Award research procurement	July 2012
7. Incorporate data from research into business plan and five year strategic plan	August 2012 – November 2012

Objective 2: Education and Outreach	
Action Steps:	Timeframe:
1. Assess needs and develop SOW	September 2010 – July 2011
2. Piggyback on statewide contract to develop education and outreach strategic plan	February 2011 – April 2011
3. Planning website development	June 2011– Ongoing*
4. Develop RFP for media procurement including soft launch	June 2011 – Ongoing
5. Implementation of education and outreach plans and goals including branding of Exchange	July 2011 - Ongoing
6. Post RFP and review responses upon submission	October 2012
7. Award RFP	October 2012

*Exchange website development has transitioned to the WV OOT as of March 2012, with Exchange staff still performing website maintenance. It is still under development as of July 2012, but should be completed by the end of August. This is being funded with Level 1 Establishment Grant funding.

Objective 3: Technology Needs Assessment and Strategic Plan	
Action Steps:	Timeframe:

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1. Conduct research and assess initial needs	October 2010 – February 2011
2. Issue procurement for IT Strategic Plan contract via WVOOT ITECH10 process	March 2011
3. Award procurement for IT infrastructure strategic plan	August 2012*
4. Develop and Review IT infrastructure strategic plan	June 2011 – Ongoing
5. Issue RFI for technical components, incorporating what was developed in the strategic plan	October 2011 – November 2011
6. Develop and award information technology infrastructure procurement	December 2011 – May 2012*

*IT RFP on hold at State Purchasing

Objective 4: Project Facilitation Contract	
Action Steps:	Timeframe:
1. Develop facilitation contract to work in conjunction with education and outreach strategic plan	February 2011
2. Facilitation of various stakeholder engagements	August 2011 – ongoing*
3. Launch Community of Interest Groups	November 2012
4. Coordinate Board Meetings	November 2012

*Began working with CESD in March 2012 to facilitate stakeholder engagement meetings.

For long-term work plan for Exchange efforts, beyond the scope of the PEG, please visit <http://www.bewv.com/images/wvworkplan.pdf>.

Collaborations/Partnerships

The OIC has committed to thoroughly engaging West Virginia stakeholders throughout the exchange planning and development process. Beyond conducting state-wide meetings on the exchange and holding a request for comment period, the OIC has met with and presented to a number of organizations and groups. The following represents the categories of groups and organizations that have been engaged by the OIC with detail about the role of the relative stakeholder in this process:

Individual Consumers:

- Overview- Individual consumers have been engaged on a number of fronts, ranging from press briefings and interviews to state-wide meetings and the RFC. It is pertinent that individual consumers are at the forefront of the exchange planning process and plans will be developed to specifically reach out to consumers through consumer focus groups. A board position has been designated for individual consumers in the health insurance exchange enabling legislation. The OIC also holds a regular monthly meeting with individual consumers and consumer advocacy group representatives to discuss exchange issues.

- Accomplishments- Individual consumers have provided a substantial amount of feedback through written and verbal comments during stakeholder meetings; comments reflected stakeholder opinions about governance, structure and desired function of the exchange. Relationships made with the individuals have benefited both parties by increasing support for the exchange, providing substantive feedback to help guide research and development, and giving individuals a greater understanding of the effect the Exchange will have on them personally.
- Barriers- Individual consumers represent a large socioeconomic demographic. It is important that steps be taken to focus on the unique needs of the various consumer demographics and not take a 'one size fits all' approach to individual consumers exchange needs. The OIC is concerned that not enough feedback has been thus received from consumers at lower poverty levels or consumers living in certain regions of the state that aren't as represented as heavily. Focus groups and other demographically focused initiatives will be necessary to maximize input and ensure success of the exchange. It will also be necessary to target individual consumers to extensively test the exchange before it is launched.

Small Groups/ Businesses:

- Overview- Small businesses have been engaged on a number of fronts. Beyond the OIC's state-wide stakeholder meetings and RFC, a number of presentations have been given to small employer associations and other business oriented organizations. It is extremely important that small businesses be included in every phase of the exchange development and that the questions of the business community be addressed in as timely a manner as possible so that businesses can begin to develop plans for their insurance coverage in the future. A board position has been designated for small business representation in the enabling legislation.
- Accomplishments- Small businesses have provided written and verbal feedback during stakeholder meetings. Small business organizations have also been engaged through numerous meetings by means of various venues. The upcoming addition of a SHOP Advisor, whose duties will include and increased small business engagement effort, will help engage potential SHOP users on a more frequent basis.
- Barriers- Small Businesses are deeply concerned about the cost and uncertainty of the ACA on their businesses. It has been difficult to address many questions received from small businesses due to the lack of rules and regulations from the federal government. It has also been difficult to address concerns by small business leaders about the uncertainty of the ACA. In addition, small businesses are a varied group, it will be necessary to have a number of focus groups with business owners as the Exchange is being developed to meet their needs. Meetings with representatives from the small business community and representatives from associations have been less consistent than other groups; hopefully, regularly monthly meetings will begin soon, to be conducted in a similar format as the current four standing monthly meetings for the providers, producers, payors, and consumer advocates.

Consumer Advocates:

- Overview- Consumer advocates have been engaged in a number of ways beyond the state-wide stakeholder meetings and RFC, including standing monthly meetings with a

collection of key consumer advocate organizations; numerous presentations at various consumer advocate conferences and meetings; and individual meetings with several consumer advocate organizations.

- Accomplishments- Consumer advocates have provided a great deal of feedback through written and verbal comments during stakeholder meetings. Consumer advocates have also provided a great deal of input during meetings set up with the OIC.
- Barriers- Given the large number of consumer advocacy organizations, there is concern as to whether or not a wide enough net has been cast to include the broad nature of consumer interests. The OIC will continue to improve engagement strategies to ensure that consumer advocacy organizations are a part of the on-going process.

Organized Labor/ Unions:

- Overview- Labor unions have been engaged in a number of ways beyond the state-wide stakeholder meetings and RFC. Labor representation has been at the table with consumer advocacy groups in monthly meetings. An outreach strategy has been developed specifically for engaging labor unions. A board position has been designated for labor representation in the health insurance exchange enabling legislation.
- Accomplishments- Labor organizations provided a great deal of feedback through written and verbal comments during stakeholder meetings.
- Barriers- Given the large number of labor unions and their varied size and scope, it is important to ensure that all labor perspectives are considered.

Medical Community:

- Overview- Various groups within the medical community have been specifically targeted for education and outreach beyond the state-wide stakeholder meetings and RFC. Medical providers have attended consumer meetings as well as the standing meetings specifically for the provider community that is currently thought of as the precursor to the provider advisory group outlined in the enabling legislation; have been presented to on several occasions; and have been contacted for input on many occasions. A board position has been designated for medical providers in the health insurance Exchange enabling legislation.
- Accomplishments- The medical community has provided a great deal of feedback through written and verbal comments during stakeholder meetings. There are also a number of health reform initiatives taking place with providers beyond that of the Exchange that the OIC is involved in and will ultimately relate to the health insurance Exchange in various ways. The monthly meetings with providers have become better attended and encounter greater participation with each month.
- Barriers- Given the broad and varied interests of our medical provider groups, it will be a challenge for this community to select a board member to fully represent those provider interests. This being recognized, it is important that a medical provider perspective be represented on the Exchange board and that providers be available for technical assistance on quality initiatives; enrollment; and utilization issues. Another barrier is that we have been under the assumption that the providers that participate in the meetings are adequately sharing information with the associations and groups they represent, but this may not be the case; this means that an extended effort needs to be made to engage providers on a broader level.

Private Payers:

- Overview- Health insurance carriers have been engaged on a number of fronts related to the health insurance exchange beyond the State-wide stakeholder meetings and RFC. The OIC meets with carriers on a monthly basis and also field questions and comments throughout the month. A board position has been designated for payers in the health insurance Exchange enabling legislation.
- Accomplishments- Payers have provided a great deal of feedback through written and verbal comments during stakeholder meetings. There has also been a great deal of technical input provided during regular scheduled regulator-carrier meetings. Carriers provide crucial information related to the health insurance Exchange's planning and development, one reason that the carriers were designated one board position; the representative will be elected by an advisory group comprised of the top ten carriers in the state based on health insurance premium volume.
- Barriers- One barrier is the number of issues that simply do not have all the answers for the questions the carriers have asked. Carriers repeatedly express frustration at the lack of answers from the federal government so that business operations and planning can be developed.

Producers:

- Overview- Producers have been specifically targeted for education and outreach beyond the state-wide stakeholder meetings and RFC. The OIC has engaged producers on a number of occasions and in various venues, including several presentations to large producer audiences. A board position has been designated for producer representation in the health insurance Exchange enabling legislation, to be appointed by the Governor. The OIC also holds regularly scheduled meetings with leaders from the West Virginia chapters of the National Association of Health Underwriters, the National Association of Insurance and Financial Advisors, and the Independent Insurance Agents and Brokers of America, who all seem to be successful in circulating information to their constituents.
- Accomplishments- Producers have provided a great deal of feedback through written and verbal comments during stakeholder meetings. Producers have also been forthcoming with ideas on how they can be utilized in moving forward with the Exchange.
- Barriers- The producers are still wary of the role of the navigator in the exchange as well as the lack of clarity in the future of their own roles. Another barrier is, like with many groups, that the answers to policy questions or direction of the Exchange cannot be answered at this time due to federal restrictions as well as the absence of a Board. Many are frustrated by the limits of the scope of planning that we are able to do at this time.

Constituent State Agencies:

- Overview- Several State agencies are intricately involved in exchange planning and development. These West Virginia agencies include the Bureau for Medical Services (Medicaid); Governor's Office of Health Enhancement and Lifestyle Planning

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(GOHELP); Bureau for Children and Families (social service agency); Bureau for Senior Services; Children's Health Insurance Program (CHIP); Public Employee Insurance Agency (PEIA); Health Care Authority (HCA); and Health Information Network (HIN). Administrative streamlining, policy research, strategic health system planning, data sharing and information technology issues have been the focus of these discussions. The Current Environment Assessment that was conducted as part of BerryDunn's development of an IT Strategic Plan also introduced or enhanced relationships with other state agencies that have not previously existed. As an IT strategy continues to be developed, further collaboration with other agencies, especially BMS, will need to continue to increase so that one vision guides the actions of each party. The OIC and BMS have identified the shared IT business process requirements and will be developing a contractual relationship for the execution of the plans. The OIC and BMS have been meeting to collaborate on the core IT RFP and the APD that will be submitted in the coming weeks.

- Accomplishments- West Virginia specifically and the Exchange group in particular has benefited from excellent leadership in the State's leading health agencies. Ensuring that all State agencies are working from the same policy assumptions and that efforts toward research are not being duplicated is of paramount importance. Four State agency Exchange board positions are part of the OIC's Exchange enabling legislation: the OIC, CHIP, BMS, and HCA. OIC is working with BMS to develop the eligibility and enrolment functions of the Exchange together to ensure the needs of both parties are being met without duplicating any efforts. There is potential to draw down Medicaid MITA funding for this effort, which would then be interfaced with the Exchange.
- Barriers- Major obstacles that have surfaced relate to lack of guidance and rules from federal agencies. The uncertainty created by this lack of information leads to difficulty in creating strategic plans and compounds any difficulties that may exist concerning communication between State agencies that traditionally deal with different federal agency partners.

PRA Disclosure Statement

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