

Governor's Office of Planning and Budget

Georgia Health Benefit Exchange Feasibility Study PROJECT NARRATIVE and Work Plan



State Planning and Establishment Grants for the Affordable Care Act's Exchanges IE-HBE-10-001

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Table of Contents

Project Narrative	2
1.1 Introduction.....	2
1.2 Background Research.....	3
1.3 Stakeholder Involvement (CVIOG).....	4
1.4 Program Integration.....	5
1.5 Resources and Capabilities.....	6
1.6 Governance.....	6
1.7 Finance.....	6
1.8 Technical Infrastructure.....	7
1.9 Business Operations.....	8
1.10 Regulatory or Policy Actions.....	9
2.0 Work Plan and Timeline	10

Project Narrative

1.1 Introduction

Federal Health Care reform requires that by 2014 states create state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges (referred to in this document as the “Exchange”) or the Federal Government will establish an Exchange for the State.

The purpose of the “State Planning and Establishment Grants for the Affordable Care Act’s Exchanges” is to determine where or not Georgia should establish an Exchange, and if so, what decisions must be made in order for the Exchange to be robust. The following narrative explains what Georgia plans to do between September 30, 2010 and September 30, 2011 in analyzing the feasibility of establishing the Exchange.

Research, evaluation and recommendations are needed on key questions, including:

1. Exchange Owner: What are the advantages and disadvantages of the state creating its own Exchange? Should Georgia allow the federal government to create an Exchange for the state? Should Georgia partner with other states in a regional Exchange?
2. Exchange Structure: What are ways the state could structure its Exchange? What are the implications and trade offs of each option? What are the implications of establishing a single combined exchange to serve individuals and small businesses or establishing a separate exchange for each market?
3. Existing Programs: To what extent should the state leverage Medicaid, PeachCare for Kids™, and the State Employee Health Plan as part of an Exchange?
4. Eligibility and IT: What are the implications of integrating a new eligibility system on existing information technology systems and what systems, policies, and business practices would be needed for an Exchange to be successful?
5. Benefit Design and Business Operations: What benefit design options, plan selection and qualification criteria, quality measures, and risk adjustment procedures should the

state consider when designing its Exchange? How can the Exchange improve a consumer's ability to evaluate and compare the costs and quality of health plans?

6. Governance: What are the governance options for an Exchange, and which one is best for Georgia? (e.g. 501c3 non-profit, State government authority)
7. Costs: What are the start-up and operating costs of an Exchange?
8. Legislation and Policy: What are the implementation steps necessary to establish an Exchange? What are the legal steps necessary to establish an Exchange? What legislation would be needed? What regulatory and policy changes are needed?

1.2 Background Research

The State plans to contract with Georgia State University to analyze the market for an Exchange. As part of this study the State will:

- Synthesize all previous work on the uninsured in Georgia to inform the decision making process around a Georgia health insurance Exchange and provide information to work teams as needed
- Conduct a 2010 employer survey of Georgia businesses to determine current purchasing practices with respect to health insurance, analyze and disseminate results, and use this information to guide decisions around small business health insurance Exchange design
- Produce estimates and characteristics of Georgia's uninsured population from the 2010 Current Population Survey (the latest national figures that will be available by September 2010)
- Examine functioning Exchanges in other states as they relate to Georgia, compile information from other states, conduct key informant interviews with stakeholders to assess views on Exchange governance, finance, regulatory actions, and

technical infrastructure, and develop a document that outlines the options with pros and cons for Georgia

- Conduct an assessment of resources needed for the Exchange
- Conduct key informant interviews with Georgia leaders and decision makers to understand perspectives needed to implement a successful insurance Exchange
- Support and participate in the Exchange advisory committee as requested

Staff from state agencies and other university partners will assist the workgroup with the background research and market analysis.

1.3 Stakeholder Involvement

Stakeholder involvement and input will be an important component of our Feasibility Study.

A participatory process is necessary to evaluate the Exchange decisions and options faced by the State of Georgia.

The State will gather stakeholder input using a variety of tools and venues.

- Advisory Committee – The state will form an Exchange Advisory Committee with representatives from various stakeholder groups and members of the Exchange Work Group to advise and support the work of the feasibility study.
- Stakeholder Sessions – The State will hold large group meetings early in the project to educate and inform key stakeholders and collect their input
- Focus Groups – The State will collect input through a series of focus groups on specific topics. These topics will be guided by the information gathered through the background research and Exchange models being evaluated.
- Web based survey – The State will utilize web-based surveys to collect input from a wider section of the population.

- Communication - The State plans to use communications tools such as a website and email notices to keep stakeholders and the general public informed about the project. The State will also hold information sessions and briefings for decision makers as part of the project.

The State plans to contract with the University of Georgia's Carl Vinson Institute of Government to organize, facilitate, and document stakeholder input, focus groups, and Exchange Advisory Committee Meetings. The State will ask its university partners and national experts to contribute to the planning of the various meetings and provide technical assistance.

1.4 Program Integration

The state has a consolidated eligibility system that performs all eligibility functions for various public programs in the Division of Family and Children Services. PeachCare for Kids,™ is a separate Medicaid look-a-like program and is outsourced to a private vendor. The state will investigate an electronic “single front door” for both Medicaid and PeachCare for Kids,™ and potential interface with the Exchange.

Georgia State University and the Georgia Technology Authority will be engaged to consult with and advise the Georgia Department of Community Health on public program integration into the Exchange. In planning for an Exchange, the State will evaluate the cost and benefits of improving our existing systems or developing a more integrated eligibility model that can easily move individuals between private and public coverage boundaries as income/eligibility changes and facilitate communication with enrollees that will be clear and help families understand all of their options. As guidance becomes available, the team will also consider the interface with systems and programs of the Federal government.

1.5 Resources and Capabilities

As part of this planning grant, the project manager, with support from the university partners, will assess the state's current and future staffing levels, contracting capabilities and needs, and information technology needed to carry out the Exchange project. The project manager will also assess the State's capabilities and capacity to manage the planning, development and implementation of a state Exchange. The State will hire a project manager, an analyst and utilize interns to manage the contractors and do the analysis and planning outlined in this grant. An Exchange Work Group has been formed that includes representatives of key state agencies and faculty and staff from universities. An advisory committee will be organized to provide additional support and input in the process.

1.6 Governance

The State will assess various governance models and outline the advantages, disadvantages, risks, cost, and implications for each option. Among the options the team will assess is creating a non-profit entity, creating a state run authority, joining with other states in a regional Exchange, or ceding governance to the federal government. The project manager will lead the work of assessing various governance models with the assistance of other agency staff, our university partners and national experts.

1.7 Finance

The Exchange will require systems to support the operations of the Exchange including not only accounting but also cash management, reconciliation of the tax credits and subsidies. The work group will analyze the financial systems necessary to manage, account, audit and report the transactions of the Exchange. The analysis of systems will be done later in the planning grant timeline once a preferred exchange model is identified. The team will

identify the business processes, controls, security, and financial transactions of the Exchange and then begin to assess how the financial systems interface with other external systems and processes. An assessment of the technical requirements will also begin once the Exchange model, governance, and business processes are identified. The research and analysis will be coordinated by the project manager with support from the university and state partners.

1.8 Technical Infrastructure

The State plans to contract with the Georgia Technology Authority to assist with the assessment of the State's the information technology infrastructure related to establishing an Exchange. A technology working team be formed that will draw resources from the Georgia Department of Community Health, the Georgia Technology Authority, and our University Partners to evaluate the current IT infrastructure and plan for future needs. Staff from the University of Georgia's CVIOG Information Technology Outreach Services (ITOS) Division will also provide support to the state in this work.

The technology working team will conduct the following activities:

Activity	Description
Health Exchange Environmental Scan	Assess the technology of existing state Exchanges and others state and international Exchanges, in coordination with the workgroup.
Technology Assessment Plan	Types of technologies required for each Exchange models -SWOT analysis. Conduct request for information. Poll the industry for their approach.
Call Center Assessment Plan	Assess state call center capacity and capabilities for insurance Exchange support
Network Architecture Design, Capacity and Facilities Plan	Network options to consider and schematics
Exchange Application Plan	Summarize results of the environmental scan, RFI, and requirements gathering; make recommendation for going forward

Business Requirements	Confirm regulatory requirements, any additional security requirements, integration points, and sizing of both web traffic and call center traffic.
Security Plan	Evaluation of necessary protocols to ensure data integrity
State Technology Report	Written reports for public policy makers and the general public
Website/Portal Plan	Exchange Application High Level Design based on the recommended approach. Work with infrastructure provider on a high level design for the Exchange.
Integration and Resource Plans	Synergize all plans to assess resource requirements

1.9 Business Operations

Implementing a Health Benefit Exchange requires the selection of processes for eligibility determination, administration of premium credits and cost-sharing assistance within the individual Exchange, plan qualification and selection processes, use of a quality rating system and the implication of that rating for pricing, rate review and justification, and risk adjustment methods and application. Individually and collectively, these processes will determine enrollment, cost of plans within the exchange, consumer satisfaction, the ability of consumers to access benefits under each plan, and ultimately the success of the Exchange.

The State plans to contract with the Georgia State University to assist the State in identifying, convening, and facilitating technical workgroups that will identify options and describe the trade-offs inherent among options for these processes. The State will form work teams that will address questions of 1) Eligibility Determination; 2) Plan qualification and quality assurance, 3) Benefit design, rate review, and risk adjustment. The teams will also assess how the Exchange can assist the consumer in evaluating and comparing the costs and quality of health plans. The work of the business operations work teams will be informed by the information gathered from stakeholders and the background research. The

technical work groups will be composed of experts from academia, industry, and state agencies, and they will meet regularly and issue periodic reports as needed.

University researchers will also provide analytic support to the workgroups. Information from the employer survey and focus groups data previously generated under Georgia's 2002, 2004, and 2005 HRSA State Planning Grants and other state and national databases (such as CPS, HCUP and MEPS) will be utilized to project demand; show cost implications; analyze risk selection issues; identify quality measures; and address other questions under the implementation options considered for Exchanges.

Integral to the analysis and findings of the business operations work teams is the underlying technology that supports the Exchange. University researchers will also provide support to assure that measures and processes analyzed under each option will consider and coordinate the IT constraints and opportunities within the Exchange.

1.10 Regulatory or Policy Actions

The project team will assess enabling legislation passed in other states such as Massachusetts, California, and Utah to establish an Exchange. Further, an assessment of required changes to current policy and regulations will be conducted.

2.0 Work Plan and Timeline

Draft Work Plan and Timeline

	Who	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Establish Project Management Office and hire staff	PMO	█											
Complete contracts for initial outsourced work	PMO	█	█										
Conduct Research and Analysis													
Background Research	GSU	█	█	█	█	█	then as needed for duration of grant						
Stakeholder Involvement	UGA	█	█	█	█			█			█		█
Program Integration	DCH	█	█	█	█	█	█				█	█	█
Resources and Capabilities	PMO	█					█	█	█	█			
Governance	PMO	█	█	█	█					█	█	█	█
Finance	PMO					█	█	█	█	█	█	█	█
Technical Infrastructure	GTA	█	█	█	█	█	█	█	█	█	█	█	█
Business Operations	GSU			█	█	█	█	█	█	█	█	█	█
Regulatory or Policy Actions	PMO	█	█	█	█	█	█	█	█	█	█	█	█
Report Early Findings	PMO				█								
Report Interim Findings	PMO							█					
Report Final Findings and Recommendations	PMO												█
Provide HHS Quarter Reports	PMO				█			█			█		