

Office of Consumer Information and Insurance Oversight

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

**Alabama Department of Insurance
Quarterly Report 3**

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State: Alabama

Project Title: Alabama Exchange Planning Grant

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Project Summary

The Alabama Department of Insurance has been working closely with its contractor, LMI, and partner agencies: the Alabama Medicaid Agency, the Alabama Department of Mental Health, the Alabama Department of Public Health (ALL Kids), and the Alabama Department of Finance Information Services Division on the Exchange planning and establishment grant. A Roadmap has been developed and can be found in Appendix A. The Executive Order can be found in Appendix B. More details on each of these can be found in this report.

Core Areas

In the second quarter, the Department reported that it entered into a contract with LMI, along with its subcontractors Mathematica and Public Consulting Group, to assist the Department in developing an Exchange governance structure, business plan and financing options. At the writing of this report, several projects have been completed; however, many are in the final stages.

- **Planning Roadmap.** LMI developed a Planning Roadmap to serve as the framework for all Exchange planning, design, and implementation. The Planning Roadmap, which is attached to this

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report as Appendix A, identifies potential Exchange goals, key policy decisions, timelines for decision making, and issues and analysis required for each decision. Recommendations include:

- Alabama should apply for Level One Implementation Funding by the September or December application due dates. Level Two Implementation Funding could then be pursued in March or June 2012.
 - The Governor must designate an agency or quasi-governmental agency to oversee the preparation and submission of the funding request.
 - Legislation establishing the Exchange must be enacted in the 2012 Regular Legislative Session.
 - Due to the increasing complexity of planning required for the Exchange, the state should establish an office to serve as a central hub in Exchange planning and implementation. This office, possibly located in the Office of the Governor, would house the key personnel who could assist in the coordination of efforts among the different agencies. This office would closely coordinate and link to Medicaid's health information exchange efforts as well. In addition, the state will need to increase staffing levels at affected state agencies to address the increased health insurance and health information Exchange efforts. Funding through both the Level One and Level Two cooperative grants could offset these costs during the implementation phase. *(Note: The Governor is actively pursuing the establishment of this office.)*
 - The state should proceed with a single Exchange to serve the individual and small group markets, while recognizing the need to develop functionality and customer support that may differ for these two market segments.
 - To establish a streamlined, single application to determine eligibility for an expanded Medicaid program, ALL Kids, and the Exchange, Alabama should utilize a single eligibility process that will adjudicate applications for all health coverage programs, including the Exchange. This can be expanded over time to incorporate the eligibility processes and requirements for nonmedical assistance programs available to lower-income residents, including Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, and child support. These efforts should also include myalabama.gov, a system which is being designed to serve as a single point of entry to human services and other state services offered by and through Alabama's government, as the state seeks to incorporate eligibility determination for all public programs.
 - The Exchange should develop a robust outreach, education and enrollment program that can help individuals determine eligibility for public or private health coverage, help new consumers shop for insurance, help people file grievances and appeals, provide information on consumer protection provisions, and collect information on inquiries and problems and how they were resolved. The Exchange should leverage the customer service centers for Medicaid and other social service programs that are being established across the state. Determining how best to leverage the expertise of brokers, community-based organizations, health centers and other key groups will be critical in the development of the outreach program.
- **Regulatory or Policy Actions**

During the 2011 Regular Session, Exchange legislation was introduced by House Rep. Greg Wren. This legislation was not the result of the Exchange Planning Grant or its key stakeholders.

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On June 2, 2011, the Governor signed Executive Order No. 17 establishing an Alabama Health Insurance Exchange Study Commission. This commission shall serve as an advisory group to the Governor and must make the following recommendations to the Governor by December 1, 2011:

- Where an Alabama Exchange should be housed;
- The make-up of the governing board of the Exchange;
- Analysis on how to make the Exchange sustainable;
- Delineation of functions of the Exchange; and
- Analysis of the effects of the Exchange between the insurance market and existing health programs and agencies including Public Health and Medicaid.

On June 22, 2011, LMI and Department representatives met with the five named members of the 14 member board: Commission Co-Chairs Sen. Greg Reed (chairman of the Senate Health Committee) and Rep. Jim McClendon (chairman of the House Health Committee); the Commissioner of Insurance; the Commissioner of Medicaid; and the Director of Finance (the Deputy Finance Director attended due to scheduling conflicts). The remaining members of the Commission have yet to be appointed. At the June meeting, those in attendance determined that these five members would serve as a Commission Steering Committee in order to quickly schedule meetings to be kept up to speed on the LMI work. (Note: The Executive Order can be found in Appendix B.)

- **Stakeholder Involvement.** Stakeholders have been uniquely involved in Alabama's Exchange Planning process. On May 10, 2011, LMI and the Department of Insurance held a meeting with more than 105 stakeholders and stakeholder organizations. At the meeting, a survey was conducted to determine the "temperature" of the stakeholders on a variety of Exchange planning issues. An audience response system provided immediate feedback as David Helms from LMI led the group in a discussion of issues from governance to legislation to appointment of Exchange board members. The audience response system was an enormous hit by those in attendance who felt that the questions and ensuing discussions captured the thoughts of the group. Here are some of the highlights:
 - Approximately 80 percent felt that it was very important for Alabama to improve coverage for the uninsured in the state.
 - Approximately 68 percent felt that the state needed to restructure the market and use federal funds to subsidize the cost of products offered to make the insurance products more affordable.
 - A majority of those in attendance (89 percent) felt that Alabama should move forward with establishing a state Exchange versus allowing the federal government to run the Alabama Exchange.
 - When addressing the governance structure, however, the audience was mixed on how best to accomplish the task. For instance, approximately 39 percent felt that the Exchange should be housed in a quasi-public authority; 28 percent felt that the Exchange should be housed in a non-profit entity/public corporation; 21 percent felt it should be housed in an existing state agency; four percent felt it should be housed in a newly created state agency; and seven percent were unsure.
 - The majority of those in attendance felt that enrollment processes for Medicaid, ALL Kids and Exchange beneficiaries should be either fully integrated or partially integrated.
 - Some funding mechanisms were explored as well as how the Exchange should determine what qualified plans participated in the Exchange.

In late August or early September, this same stakeholder group will be reconvened to review the draft Exchange recommendations and provide similar feedback through an audience response

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system. From there, the draft recommendations will be modified and finalized, then presented to the Study Commission.

- **Focus Groups.** In addition to the stakeholder meeting, LMI conducted six in-depth focus groups with particular segments of the populations expected to play key roles in the success of the Exchange. All the focus groups were conducted during the month of June with a final report and recommendations expected in July. Very brief highlights from the groups follow:
 - **Insurers**—Insurers felt that affordability was very important in the marketplace and had concerns of adverse selection in the Exchange. They are hopeful the Exchange will allow for more product offerings and reduce rate disparities.
 - **Brokers**—Brokers felt that a successful Exchange would need to incorporate all companies selling insurance in Alabama. Education of small business owners and individuals will be critical for a successful Exchange given that many people have a lack of basic understanding about various insurance products. The role of Navigators and what it will mean to brokers and insurance producers is also an issue of importance to this group.
 - **Small business (two groups were held—one in Birmingham and the second in Mobile)**—Small business owners want to see more competition and more plan selection in the Exchange. Cost of health insurance is difficult for small business owners. Many of the participants want to continue to offer coverage and hope to do so. They are concerned, however, that many employees will not understand the differences between the plans offered in the Exchange and may make relatively uninformed decisions not in the employee's best interest.
 - **Health care providers**—Participants in this group are concerned about capacity limitations relative to the demand for health services and project that these provider shortages will increase as more people obtain coverage. Primary care services are of particular concern. They also expressed concern that many people may choose “bronze” plans with large deductibles and co-pays which, in turn, would generate substantial bad debt for providers. They also pointed out that the underlying factors for high cost health care in Alabama are unhealthy behaviors and poor health status. Providers would like to be consulted on how to structure benefit plans that might incentivize healthier behaviors.
 - **Advocacy groups**—Groups in attendance emphasized the need for expansion of comprehensive insurance that will enable Alabamians to access necessary healthcare without going bankrupt. They were concerned about capacity of the health care provider community to serve patients as more people become insured.

What is coming in the next quarter:

- **Study of current insurance market.** LMI is completing a formal analysis of the current health insurance market, to include a review of information currently reported to the Department, review of available plan designs including payment models, and modeling the impact ACA changes will have on the market. LMI needs this data in order to provide the Department with guidance on Exchange design and implementation decisions. In June, the Department sent a “data call” on individual and small employer group (2-50 employees) to 23 insurers requesting such information as:
 - The number of plans offered
 - A description of each of the five most “popular” plans
 - The plan benefits, including deductibles, co-insurance and co-pays

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- The premium for each of these plans for all issue ages

The information was requested for June 30. The Department of Insurance learned only 10 of the 23 insurers are currently participating in the Alabama market. All companies in the market have provided the information as of the date of this report. There was a delay in obtaining information from the largest insurer which notified the Department that they considered the request “proprietary” information and required LMI to enter into a non-disclosure agreement before the requested information could be provided. As of July 11, the non-disclosure agreement was signed and information provided. This has obviously delayed completion of the research as Blue Cross Blue Shield has significant market share in the small group and individual market. As a result, the original August deadline for this report may be delayed and all remaining deliverables from LMI placed in jeopardy for timely completion.

- **Assessment of current programs and integration opportunities.** In coordination with the Department and stakeholders, LMI is in the process of developing a comprehensive assessment of current health care benefit programs across public and private sectors and conducting an analysis of program integration requirements and opportunities with the goal of aligning or standardizing benefit packages to minimize coverage disruptions and maximize care continuity. Such assessment will consider benefit design, outreach, funds flow, eligibility determinations, enrollment/disenrollment, care coordination, claims payment, information systems, and applicable quality standards where feasible and appropriate.
- **Exchange design options.** LMI is developing a comprehensive written analysis recommending one or more models for the Exchange. LMI’s analysis will encompass an overview of the functions and services of the Exchange to include: governance; financial functions; administration; customer service; outreach, education, and marketing; and the role of navigators. The analysis will include the delineation of functions that apply to the Exchange as relevant to the individual market, the SHOP Exchange (small group market), and general administrative functions of the Exchange. As part of the analysis, LMI will develop a work plan that ultimately delivers a final set of recommendations to the Department. This work plan will include the following:
 - A definition of the options for governance: government agency (new or existing); quasi-public authority; or nonprofit entity.
 - Identification of the advantages and disadvantages of each governance model.
 - Vetting of the options with State officials and key stakeholders to ascertain support for each model.
 - Development of a recommendation for the governance and organizational model for the Alabama Health Benefit Exchange.
- **Recommendation for Exchange financial sustainability.** LMI is working on a written analysis of sustainable financing options for having a self-sustaining Exchange by 2015. The analysis will include budget estimates for the Exchange and recommendations for implementing a fully functioning and financially sustainable Exchange. LMI is developing volume estimates, benchmarking costs, and staffing data from existing public and private exchanges, and determining the types of positions and salaries likely to be needed to operate the Exchange.

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- **Recommendation relating to Exchange finance functions.** LMI is also developing a written assessment of financial functions which will include options, costs estimates and recommendations. The assessment should account for a variety of finance-related functions of an Exchange, such as: development of accounting and auditing systems, procedures, standards and controls; collection and safeguarding of premiums; reconciling tax credits and cost-sharing subsidies; control of waste, fraud, and abuse; creation of transparency and financial reporting mechanisms for the public; and development of the technical infrastructure to comply with Federal reporting requirements.

- **Study of uninsured and underinsured.** LMI is in the final stages of completing a report to assist the Department in understanding the population that may purchase health insurance through an Exchange.

- **Creation of an implementation plan.** The Department and LMI will discuss the best Exchange model based on studies and analyses completed relating to the financial environment and impacts on the Exchange. From there, LMI will develop an implementation plan that clearly articulates key milestones, sets a schedule to establish a fully functioning Exchange, and accounts for internal and external infrastructure and resources that may be leveraged to support Exchange administration and operation. LMI is working to ensure the implementation plan concisely and clearly outlines the important elements of the project, precisely describes Department and LMI expectations, includes all timelines and project phases--paying particular attention to critical path items and interdependencies--and sets forth the decision and management paths.

- **Ongoing project management.** At the beginning of July, key staff from the Department and partner agencies began developing an internal workplan and timeline through Microsoft Project. The draft timeline and workplan have key decision points which follow the milestones outlined in the Exchange Implementation funding announcement of January 20, 2011. In addition to the Exchange Planning Grant, the Alabama Medicaid Agency received a grant through Robert Wood Johnson (RWJ) for exchange planning. This grant allows the state to reach out to subject matter experts in a variety of areas as it delves further into Exchange planning. Combining the RWJ grant and planning grant with other initiatives such as the User Exchange 2014, the Maximizing Enrollment Grant and other projects, it became abundantly clear that coordination of all these projects and programs would be key to maximizing the state's resources and access to subject matter experts. Thus, the comprehensive workplan and timeline was born. Kathleen Healey of the DOI staff and Richard Fiore of the Department of Finance's Information Services Division completed the first draft of the timeline which is currently being reviewed by key staff from existing partner agencies. At the time of this report, the draft workplan has more than 244 tasks assigned to it. Dates for completion as well as staff and departments responsible for the tasks are slowly and methodically being assigned. From the workplan, five key areas of immediate priority were identified as:
 1. IT Gap Analysis—goal to have this done by mid-August in order to have time to develop the application for the Exchange Implementation Level I grant.
 2. Implementation Level 1 grant—application development for a target date of September 30, 2011.
 3. Program integration—benefit structures and how these compare to essential benefits.

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4. Policy issues—governance, legislation (what Department/Agency laws need to be changed, legislation for enabling the Exchange).
 5. Outreach and communication—development of a campaign which incorporates a two-prong approach. One prong would be to educate the public on the changes to health care/health insurance and also how to buy insurance (launch date: 2012). This outreach would focus on different target audiences including legislators, businesses, and the general public. The second prong of the outreach project would be a campaign to educate Alabamians on how to actually use the Exchange (launch date: 2013).
- **Development of a SharePoint site.** The Information Services Division of the Department of Finance developed a SharePoint site to house and share documents, the workplan, timeline and guidance on Exchange planning. Key staff from agencies such as the Department of Insurance, the Medicaid Agency, the Department of Public Health, the Department of Mental Health as well as the Department of Finance and its Information Services Division have access to the site. The SharePoint site creates a powerful work management engine which key staff will utilize throughout the Exchange Planning and Implementation Phases.

Barriers, Lessons Learned, and Recommendations to the Program

One challenge has been the need for a central office, with sufficient dedicated staff, to lead Exchange planning efforts. While the work to date with partner agencies has been admirable, Exchange planning activities are additional tasks assigned to existing state staff. Due to budget constraints, no one agency has enough staff to assume the project full-time and take the lead role when faced with decision points. Recognizing the challenges within state government, the Governor is expected to name an individual to lead the charge on Exchange Planning. This individual will then select his or her team to continue Exchange Planning with state agencies providing support and expertise.

Technical Assistance

The Department requests assistance reviewing proposed legislation to ensure that the Exchange will meet the minimum requirements required by CCIIO. The Department wishes to work collaboratively with CCIIO on the development of state law and regulations which will ensure the flexibility of an Exchange and include adequate consumer protections while at the same time creating a robust marketplace that will provide multiple choices for insurance coverage for Alabamians.

Additionally, the Department would like to extend the LMI contract to December, 2011 in order have LMI serve as a guide and technical expert to the Exchange Study Commission established by Executive Order No. 17. This planning commission, as previously mentioned, has been charged with providing recommendations on the Alabama Exchange to the Governor by December 1, 2011. It would be ideal to extend the expertise availability of LMI and its subcontractors as the Study Commission members review the recommendations and research provided by LMI. While state employees can serve as subject matter experts for their respective agencies, LMI provides the necessary expertise to interpret its research and recommendations as well as compare what other states are doing with particular issues. Additionally, LMI has expertise in consensus building and cross-organizational collaboration which will be critical to establishing the Alabama Exchange. A formal request on obligating Exchange planning funds beyond the September 30, 2011, grant term will be forthcoming.

Please note: Further assistance is immediately requested as we complete the IT gap analysis to determine if what we are doing is sufficient to be considered for Level One Implementation Funding. Review of

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other state's activities in this area has shown that each state seems to approach the IT gap analysis a bit differently. This lack of consistency in approaches has raised concern in Alabama that we may miss critical steps in the process which could create roadblocks when we request the first wave of Implementation funding for the state.

Draft Exchange Budget

At this point in time, Alabama plans to submit a request for Level One Implementation Funding. This funding request will be the first request for Exchange Implementation. We expect Alabama to have additional funding requests as the Exchange is developed. As a preliminary IT gap analysis and Exchange recommendations are not yet complete, we cannot provide figures for this quarter's report. The goal is to have the Level One application ready for the September deadline.

Level One funding is expected to include a request for further IT systems analysis and compatibility from identifying all current legacy hardware and software to identifying the target system hardware and software. Work will begin with Level One funding to fill gaps identified. Additionally, Level One funding will include a request to fund the two prong approach to outreach and education. The first prong, expected in 2012, will focus on building public awareness on ACA health insurance reforms and how to buy health insurance (i.e. what is a co-pay, what is co-insurance, etc.). Early reports from the background research conducted to date have made it clear that Alabamians, like many Americans, do not completely understand the complexities of health insurance or how to narrow their choices to determine what insurance plan would work best for them. This first public awareness campaign will focus on strengthening people's working knowledge of health insurance so they can be informed shoppers. The second prong of outreach and education will be to provide guidance on how to purchase health insurance through the Exchange so they can maximize its potential.

Level one funding will also be focused on increased staffing. To date, the Department of Insurance has worked closely with such key agencies as the Alabama Medicaid Agency, the Department of Public Health (ALL Kids), the Department of Mental Health, and the Department of Finance (including the Information Services Division). The level of collaboration has been nothing short of phenomenal considering that many of the staff involved are not solely assigned to the Exchange project and have other job responsibilities as well. In the coming months, the work required and the increasing complexity on the development of the Exchange will significantly increase. The state plans to establish an office to serve as the central hub in Exchange planning and implementation. This office will house the key personnel to assist in the coordination of efforts for the Health Insurance Exchange and the Health Information Exchange. Additionally, the state must increase staffing levels at affected state agencies to address the increased health insurance Exchange efforts. State funding is extremely limited. Funding received through the Level One implementation grant will be key to ensuring the manpower exists to implement the Exchange.

The final task anticipated in the Level One funding request will be the development of pertinent laws and regulations to establish and enable the Exchange.

Function	FFY 2011	FFY 2012	FFY 2013	FFY 2014
Planning	\$1,000,000			

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Work Plan

What appears below is the draft work plan and timeline which has been developed. This is the abridged version as the comprehensive plan spans several pages. This is a work-in-progress. Many dates have not been determined as the five priority areas previously mentioned in this report are still in early stages. It is expected that as time progresses more dates will be filled in.

TASK	TENTATIVE DATE
Exchange IT systems	
Establish security and privacy safeguards	2012
Conduct analysis of existing IT systems and identify areas which need modernization	2011,2012
Gap Analysis	August 15, 2011
Determine data encryption, security and privacy needs for online activities tied to Exchange eligibility, enrollment and data collection	2011,2012
Develop user manuals for system software	2012,2013
Create and enter into data use agreements for entities regarding data sharing	2012,2013
Finance of Exchange	
Obtain Establishment Grant funding	2011,2012
<i>--Level One</i>	<i>Sept. 30, 2011</i>
<i>--Determine priorities of Level One application</i>	
<i>--Determine who will apply for grant</i>	
<i>--Develop grant application</i>	
<i>--Level Two</i>	<i>March 30, 2012</i>
Determine initial development costs of HIX creation	Sept. 19, 2011
<i>--Staffing</i>	
<i>--Call center</i>	
<i>--Website</i>	
<i>--Linkages to other federal and state systems</i>	
<i>--Linkages to private and public health plans</i>	
<i>--Rent, utilities, furniture</i>	
<i>--IT costs for Exchange and staff needs</i>	
Explore funding opportunities for ongoing operations	Sept. 19, 2011
<i>--Exchange fees</i>	
<i>--Specialized services offered to individuals as revenue source</i>	
<i>--Specialized services to employers</i>	
<i>--Estimate operational budget for upcoming years</i>	

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Legislative and Regulatory Action	
Draft enabling legislation	Dec. 30, 2011
Analyze and identify state laws needed to be developed or modified to ensure consistency with federal law	Dec. 30, 2011
Enact state law to make required changes	Jan. 30, 2012
Develop systematic rate review process	2012
Develop and promulgate rules/regulations to make consistent with federal law	2012
Enact state law for rate approval--currently feds will be running this	Jan. 30, 2012
Enact state law for external appeals process--currently feds running this	Jan. 30, 2012
Draft implementing regulations per agency and/or Exchange	2012
Exchange enabling legislation	Dec. 30, 2012
Hold stakeholder meeting seeking input on Exchange governance structure	Aug. 30, 2011
Program Integration	Aug. 17, 2011
Assessment of current programs and integration opportunities	Aug. 17, 2011
Assessment of current health care benefit programs across public and private sectors	Aug. 17, 2011
Analyze program integration requirements to standardized benefit packages	2011
Assessment include benefit design, outreach, fund flow, eligibility determinations, care co-ordination, claims payment, info systems, quality standards	2012
Determine whether communication tools need to be standardized or customized for specific populations	2012
Collaborate with grant programs and HIT	2011
<i>--RWJF Grant (Medicaid)</i>	
<i>--Maximizing Enrollment (ADPH)</i>	
<i>--UX 2014 (ISD)</i>	
<i>--Health Insurance Exchange Planning (DOI)</i>	
<i>--Health Information Exchange (Medicaid)</i>	
<i>--Express Lane Eligibility (Medicaid)</i>	
Collaborate on procurement and development of Exchange and Medicaid IT systems	2012
Develop "No Wrong Door" approach to eligibility determinations	2012
Determine roles-responsibilities related to eligibility determination, verification and enrollment	2012
Roll-out enrollment process	2013
Outreach and Education	
How to buy health insurance/What does a co-pay mean campaign?	2012
<i>--Perform market analysis to assess outreach and education needs of population</i>	
<i>--Develop outreach and education materials in variety of media formats</i>	
<i>--Develop outreach and educational plan for " how to buy insurance " to prepare individuals and employers in purchasing health insurance in new marketplace</i>	
<i>--Field test media, educational materials and outreach strategies to ensure effectiveness</i>	
<i>--Ensure all outreach and education culturally and linguistically appropriate</i>	
<i>--Conduct train the trainers to expand outreach efforts</i>	

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<i>--Develop evaluation plan to determine effectiveness of outreach efforts</i>	
<i>--Refine all materials and outreach efforts based on field tests and soft launch of informational and educational campaigns</i>	
Develop comprehensive media and public relations campaign on Exchange launch	2013
Develop online tools and call scripts to assist individuals and employers in exploring and selecting Exchange options	2013
Plan ongoing outreach strategies for future years to ensure marketplace is aware and remains aware of availability of exchange	2014
Study of current insurance market	
Review of plan designs and payment models	Aug. 26, 2011
Assess benefit packages of public and private insurers	Aug. 26, 2011
Modeling impact exchange will have in market	Aug. 26, 2011
Develop an actuarial based model using state premium information, enrollment and population statistics	Aug. 26, 2011
Summarize finding to understand premiums, claims, plan designs and rating methods used by market segment	Aug. 26, 2011
Compare Alabama benefit mandates with essential benefits and identify any needed changes	
Compare current Medicaid benefits with new federal Medicaid requirements	
Decide whether to offer basic health insurance plan to people not eligible for Medicaid with household income 133-200% FPL	
Consider continuity of benefit design across Medicaid, basic health insurance program and private insurance	
Study of insured-uninsured and stakeholders	
Conduct focus groups with brokers, insurers, small business, providers and advocacy groups on HIX	June 30, 2011
<i>--Provide report and analysis of focus groups</i>	July 30, 2011
Meeting with stakeholders on HIX initial governance structure and HIX role	May 10, 2011
Meeting with stakeholders on HIX recommendations for governance and role	Aug. 30, 2011
Determine who may purchase insurance through HIX	
Governance	
Designate lead person to coordinate state implementation	
Designate key staff within stakeholder agencies to assist lead	
Determine members of Executive Order Exchange Commission	
<i>--Plan orientation/retreat</i>	
<i>--Review LMI recommendations and stakeholder input</i>	
<i>--Final report to Governor due</i>	
Develop master cross-agency implementation workplan and timeline	July 30, 2011
<i>--Identify staffing and other resources necessary for implementation of timeline and workplan</i>	July 30, 2011
<i>--Set timing goals and staff responsibilities</i>	July 30, 2011
Develop governance model for Exchange	
<i>--Select governing board</i>	
<i>--Select management team</i>	
<i>--Select stakeholder advisory committee for Exchange</i>	

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Develop formal operating structure for Exchange	
<i>--Ensure public accountability</i>	
<i>--Ensure transparency</i>	
<i>--Ensure prevention of conflict of interest</i>	
<i>--Decide whether to keep separate or merge the individual and small group market risk pools</i>	
Stakeholder Consultation	
Establish mechanism to keep stakeholders informed on HIX activities	
<i>--Develop links, info on websites</i>	
Stakeholder regional meetings	
Stakeholder Technical Assistance Workgroups	
Oversight and Program integrity	
Establish system for tracking and reporting consumer complaints	
Develop consumer ombudsman office	
Funding mechanism for CO office (exchange funded and department funded)	
Develop timelines and standards for appeals for Exchange	
Develop reporting mechanism to identify and monitor trends, including resolution	
Develop mechanism to prevent waste, fraud and abuse relating to Exchange expenditures	
Establish procedures for external audit reviews	
Establish fraud detection safeguards	
Establish reporting procedures to HHS	
Establish security and privacy safeguards	
Develop accountability and certification for qualified health plans	
Call Center	
Determine prospective utilization of call center to determine if can be held in-house, through consumer ombudsman office or contract	
Develop requirements for call center	
Develop call center scripts and protocols to handle inquiries and enrollment issues	
Train call center representatives on eligibility verification, enrollment processes, website and other issues in order to provide assistance	
Develop advertising campaign to publicize exchange call center number	
Exchange Website and Calculator	
Quality Rating System	
Utilize federal quality rating system to determine qualified health plans	
Include quality rating system functionality in system business requirements for HIX website	
Post quality rating system on website	
Set timeline for ongoing updates to quality rating system on Exchange and share with call center	
Navigator Program	
Establish criteria for who would qualify to function as Navigators	
Develop licensing requirements, if any	

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Eligibility Determinations	
Develop uniform transactions and eligibility referrals	
Develop mechanism to coordinate appeals	
Coordinate applications	
Ongoing eligibility determinations standards established	
Develop uniformity in communicating enrollment and eligibility status of individuals	
Beta test to ensure user simplicity and system compatibility	
Notification and appeals of employer liability for the employer responsibility payment	
Enrollment Process	
Develop requirements for system and program operations	
Determine how to provide customized plan information to individuals based on eligibility	
Applications and Notices	
Follow HHS guidance on applications and notices	
Test with user groups to ensure applications and notices are understandable	
Exemptions from Individual Responsibility Requirement and Payment	
Develop mechanism for applying for exemption	
Develop standards for review and adjudication of requests	
Develop mechanism to report to HHS	
Premium Tax Credit and Cost-sharing Reduction Administration	
Develop crosswalks to provide to plans and HHS regarding eligibility for tax credits and cost sharing	
Provide flexibility for system development to update tax credit and cost sharing	
Adjudication of Appeals of Eligibility Determinations	
Develop business process and operational plan for appeals	
Train personnel, navigators, call center on eligibility requirements	
Build linkage for external appeals	
Develop reporting mechanism for statistical review	
Develop linkage to consumer ombudsman office	

Collaborations/Partnerships

Report on who you are working with outside of your office or department, and any changes or issues in your institutional context and/or any progress or issues with your project partners (where applicable).

No change at this time. Individuals and entities that participated in the focus groups may be called upon later to provide additional input into the development of the Exchange. Stakeholders listed below will also be involved in narrowing choices and providing their thoughts on Exchange recommendations prior to final report submission to the Department and, ultimately, the Exchange Planning Study Commission.

Partner	Type	Role
State Employees Insurance Board (SEIB)	Employer Group	Advisory
American Cancer Society	Special interest	Advisory
AL Appleseed Center for Law & Justice	Consumer advocacy	Advisory

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ADPH/CHIP (Ala. Dept. of Public Health)	Health dept.	Partner
Southern Strategy Group	Private contractor with other public organizations	Attendee
BCBSAL (Blue Cross Blue Shield of Alabama)	Private Insurance	Advisory
Alabama Arise	Consumer Advocacy	Advisory
AARP	Consumer Advocacy	Advisory
Ala. Dept. of Mental Health	Agency	Advisory
Family Voices of Alabama	Consumer Advocacy	Advisory
Ala. Dept. of Rehabilitation Services	Agency	Advisory
Ala. Information Services Division	Agency	Advisory
Ala. Medicaid	Agency	Partner
APHCA - Ala. Primary Care Association	Federally qualified health ctrs/advocacy org	Advisory
Alabama Hospital Association	Professional Association	Advisory
Medical Association of the State of Alabama	Professional Association	Advisory
Children's Health System	Hospital	Advisory
Alabama Association of Health Plans	Professional association representing private insurance	Advisory
Ala. Dept. of Senior Services	Agency	Advisory
VOICES for Alabama's Children	Consumer advocacy	Advisory
Ala. Dept. of Economic and Community Affairs	Agency	Advisory
Ala. Chapter—American Academy of Pediatrics	Professional association	Advisory
Business Council of Alabama	Professional association	Advisory
Alabama Rural Action Coalition	Agency/Advocacy organization	Advisory
Providence Hospital	Hospital	Advisory
Willis Holdings	Broker	Advisory
Alabama Optometric Association	Professional association	Advisory
Pfizer	Pharmaceutical	Advisory
Allied Management Systems, LLC	Medicaid contractor	Advisory
National Federation of Independent Business	Professional association	Advisory
University of Alabama at Birmingham Medical Center	Hospital	Advisory
Sowing Seeds of Hope	Consumer advocacy	Advisory
Cahaba Benefits Group	Broker	Advisory
Health Management Associates	Business/Health Care employer	Advisory
Alabama Health Insurance	Broker	Advisory
Health Partners American	Broker	Advisory
Evergreen Medical Center	Hospital	Advisory
Securance Group	Broker	Advisory
Creative Benefit Solutions	Broker	Advisory
Alabama Quality Assurance Foundation	QIO	Advisory
Russell Medical Center	Hospital	Advisory
AllScripts	Health Care Consultants	Advisory
Montgomery AIDS Outreach	Consumer advocacy	Advisory
Ala. Association of Health Underwriters	Professional Association	Advisory
Kennion Group	Broker	Advisory
Springhill Hospital	Hospital	Advisory

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University of Alabama School of Health Professions	Education	Advisory
Standard Insurance Company	Insurance company	Advisory
Infirmiry Health System	Hospital	Advisory
J. Smith Lanier and Co.	Broker	Advisory
Viva Health	Insurance company	Advisory