

# MINNESOTA HEALTH INSURANCE EXCHANGE

## PERFORMANCE PROGRESS REPORT

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*Submitted to CCIIO September, 2012*

### **Core Area: Legal Authority and Governance**

**What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates.
- Establish Advisory Task Force to provide guidance on the design and development of a Minnesota Exchange and create Technical Work Groups to provide stakeholder input on the design and development of a Minnesota Exchange.
- Coordinate efforts and resources with core state agencies including the Minnesota Departments of Human Services, Health, MN.IT (consolidated IT) and Management and Budget.

**What are some of your Program's significant accomplishments or strengths in this Core Area?**

- The Minnesota Health Insurance Exchange Advisory Task Force was created in September 2011 to provide guidance on a number of issues related to the development of an Exchange for Minnesota. Members were appointed in October 2011 via an open appointments process and will serve for two years. Task Force membership includes consumers, employers, health care providers, health insurers, insurance brokers/agents, organizations with experience assisting people with public programs, health care market experts, legislators, and Commissioners of State agencies. The Task Force holds monthly public meetings in locations around the state.
- The Minnesota Departments of Commerce, Human Services, Health, MN.IT and Management and Budget are working in close coordination on efforts related to the creation of a Minnesota Exchange. To date, interagency agreements are in place between the Exchange and Department of Human Services. Interagency agreements are in development between the Exchange and the Minnesota Departments of Commerce and Health.
- Minnesota continues to coordinate efforts and resources with core state agencies including the Minnesota Departments of Human Services, Health, MN.IT (consolidated IT) and Management and Budget.

### **Core Area: Consumer and Stakeholder Engagement and Support**

**What are the primary strategies your Program has used to approach this Core Area?**

- Establish Advisory Task Force with members representing a variety of stakeholder groups to provide guidance on the design and development of a Minnesota Exchange.

- Hire full-time staff within the Department of Commerce, including Operations Director Communications and Marketing Director, Public Programs Director, Commercial Operations Director dedicated to building on activities accomplished under the Planning and Level One Establishment grants to develop detailed work plans, timelines and budget estimates including stakeholder engagement activities.
- Create Technical Work Groups to provide stakeholder input on the design and development of a Minnesota Exchange, including a Communications and Marketing Work Group.
- Solicit Request for Proposal bids for market research analysis to better understand the communications, public awareness and engagement strategies for a Minnesota Exchange.

**What are some of your Program's significant accomplishments or strengths in this Core Area?**

- The Health Insurance Exchange Advisory Task Force has met regularly since November 2011. All Task Force meetings are open to the public, call-in options are available and all materials are posted on the Minnesota Department of Commerce website. In addition, time is set aside at every meeting for public comment, and the public is welcome to submit feedback via email to Exchange staff. Task Force meetings have been held in various cities statewide.
- A full-time Communications and Marketing Director was hired in December 2011 and is responsible for developing and implementing strategies and work plans for communications, marketing, and stakeholder outreach and engagement efforts to market the Exchange and educate Minnesotans about the benefits of the Exchange. This position is also responsible for coordinating Exchange communications and outreach activities with the Minnesota Departments of Commerce, Human Services, and Health. Activities to date include updating the Department of Commerce website to include Exchange-related activity and a weekly listserv including upcoming meeting notices and other updates.
- A full-time Public Programs Operations Director was also hired and is responsible for leading the design and development of navigator/broker programs.
- The Commerce Commissioner has created technical work groups to develop, discuss, and provide technical assistance on options to the Commissioner through the Health Insurance Exchange Advisory Task Force. All of the work groups are comprised of a variety of stakeholders representing consumers, large and small employers, health insurers, agents, providers, technical experts, and State agency staff.
- In March 2012, Minnesota released an RFP for market research. The market research contract was signed in April, 2012. The public education and outreach market research was conducted by Salter Mitchell in three phases: key informant interviews, qualitative focus groups and quantitative surveys. In Phase One, Salter Mitchell performed in-depth individual interviews with key informants in business, health care, community outreach and insurance. For the second phase, qualitative research, 18 focus groups were conducted amongst both business and consumer audiences in all six geographic districts of the state. Audience segments targeted to participate in the focus groups included the uninsured, non-group purchasers, Hispanic, Medicaid enrollee and small business owners. In Phase Three, 797 consumers and 250 business owners were surveyed by phone. Results from this research are available on the Commerce Department website.

## **Core Area: Eligibility and Enrollment**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Establish Advisory Task Force with members representing a variety of stakeholder groups to provide guidance on the design and development of a Minnesota Exchange, including eligibility and enrollment activities.
- Hire full-time staff within the Department of Commerce, including Public Programs Operations Director, dedicated to building on activities accomplished under the Planning and Level One Establishment grants to develop detailed work plans, timelines and budget estimates including program integration with the Minnesota Department of Human Services (Medicaid agency.)
- Create Technical Work Groups to provide stakeholder input on the design and development of a Minnesota Exchange, including an Individual Eligibility work group.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- An Individual Eligibility and Enrollment work group has been created to focus on options for criteria, functions, processes, and assistance to support streamlined individual eligibility determinations for public and private coverage through a Minnesota Health Insurance Exchange. The work group consists of consumer, health insurer, navigator, agent/broker, provider, county, and tribal representatives as well as state agency and legislative staff.
- The Minnesota Exchange works in close coordination with the Minnesota Department of Human Services, Minnesota's Medicaid agency. Minnesota Exchange staff coordinate regularly with staff at other agencies, including multiple weekly meetings, shared participation in monthly calls with CMS and joint APD/gate reviews.

## **Core Area: Plan Management**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Close coordination with state agencies with regulatory authority of insurance and HMOs.
- Create technical work groups to provide stakeholder input on the design and development of a Minnesota Exchange, including an Adverse Selection work group and plan certification subgroup.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- In Minnesota, the Commissioner of Commerce has statutory authority to enforce Minnesota's insurance laws and the Commissioner of Health has authority over HMOs. To avoid duplication of regulatory responsibilities and to capitalize on existing regulatory expertise, the certification process will be conducted by the existing regulatory structures within the Departments of Commerce and Health. The Departments of Commerce and Health have established an interagency agreement to help clarify the respective duties of these departments related to health maintenance organizations and county-based purchasing organizations. This existing

interagency agreement is in the process of being modified to reflect the respective roles of the two agencies in the Qualified Health Plan (QHP) certification, recertification and decertification process. An interagency work group, facilitated by Exchange staff and composed of reviewers from Health and Commerce, meets regularly to outline duties, process flows and responsibilities. That work will be informed by the recommendations from the Exchange Advisory Task Force on what should be the relevant criteria to apply to QHPs. These process flows will be facilitated by the State Electronic Rate and Form Filing (SERFF) system.

- Stakeholders are being regularly engaged in these activities through a variety of mechanisms including work groups, carrier meetings and regular public communications.

## **Core Area: Risk Adjustment and Reinsurance**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Quality and Measurement Reporting Director and Commercial Operations Director, dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates related to risk adjustment.
- Create Technical Work Groups provide stakeholder input on the design and development of a Minnesota Exchange, including an Adverse Selection Encouraging Market Competition and Value Work Group and a subgroup on Risk Sharing and Risk Adjustment.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Quality and Measurement Reporting Director, Commercial Operations Director and Health Research Scientist, dedicated to building on activities accomplished under previous grants to develop detailed work plans, timelines and budget estimates related to risk adjustment. These staff coordinate with existing state resources in the Minnesota Departments of Health and Commerce.
- Minnesota has created an Adverse Selection and Encouraging Market Competition and Value work group and subgroup on Risk Adjustment to provide technical assistance and explore options related to these issues for a Minnesota Health Insurance Exchange. The work group and sub group include consumer, large and small employer, health insurer, navigator, agent/broker, and provider representatives as well as agency and legislative staff and market experts (actuarial, risk adjustment, etc.)
- The Minnesota Health Insurance Exchange Advisory Task Force has adopted a recommendation from the work group that: given the temporary (three-year) nature of the reinsurance program and the lack of entities available to perform these services, it makes more sense for Minnesota to have HHS run the federal reinsurance program on the state's behalf than for Minnesota to expend the time, effort and budget to run a state based reinsurance program.
- The Exchange Task Force will also soon take up the following recommendation from the Adverse Selection work group. The work group had also generally agreed that the potential benefits of pursuing state-based risk adjustment without authority to use the state's all-payer claims database will likely not outweigh the effort associated with developing that methodology. The

disadvantage of not pursuing a state-based approach is that the state would lose the opportunity for risk adjustment to work as well as it can given Minnesota's unique characteristics, especially in the first year or two of Exchange operation when adverse selection may be more of an issue. The work group also recommended that the state should work towards developing a state-based risk adjustment methodology for the future so that it can be implemented quickly if the state all payer claims database is authorized for risk adjustment purposes. This recommendation is awaiting formal action by the Advisory Task Force.

## **Core Area: Small Business Health Options Program**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including an Operations Director, to build on activities accomplished under establishment grants received to date to develop detailed work plans, timelines and budget estimates related to development of a SHOP.
- Create Technical Work Groups provide stakeholder input on the design and development of a Minnesota Exchange, including a Small Employers and Employees work group.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- Hire full-time staff within the Department of Commerce, including an Operations Director, dedicated to building on activities accomplished under previous grants to develop detailed work plans, timelines and budget estimates related to development of a Minnesota SHOP. Efforts are currently underway to hire a Small Group Director.
- Minnesota has created a Small Employers and Employees work group to provide technical assistance and explore options related to these issues for a Minnesota Health Insurance Exchange. The work group include consumer, large and small employer, health insurer, navigator, agent/broker, and provider representatives as well as agency and legislative staff and experts.

## **Core Area: Organization and Human Resources**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce to provide leadership to Exchange design and development activities in Minnesota.
- Minnesota Exchange activities to date have taken place as part of the Minnesota Department of Commerce. This structure has enabled the Exchange to utilize existing state processes and procedures and coordinate with other state agencies as appropriate.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- The Minnesota Exchange have hired a number of senior leadership staff to date, including an Executive Director, Finance Director, Operations Director, IT Director and Senior Counsel.

- Minnesota Exchange design and development activities are being led by the Minnesota Department of Commerce. As such, the Exchange is able to utilize existing state processes and procedures. Minnesota is also committed to creating an Exchange that works for all Minnesotans and as such is coordinating with other state agencies to the greatest extent possible. The Exchange currently has an interagency agreement with the Minnesota Department of Human Services and is working on interagency agreements with the Minnesota Departments of Commerce and Health.

## **Core Area: Finance and Accounting**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Finance Director, dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates related to financial management of an Exchange.
- Utilize existing Department of Commerce grant management, procurement, financial management and internal control structures for all Exchange activity.
- Create Technical Work Groups provide stakeholder input on the design and development of a Minnesota Exchange, including a Finance work group.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- Minnesota has hired a Finance Director and Business Analyst for the Exchange within the Department of Commerce to develop and manage work plans and structures to support the scope of financial activities of the Exchange.
- Grant management, procurement, financial management and internal controls for the Exchange planning and establishment grants currently follow the financial and accounting processes and procedures of the Department of Commerce and State of Minnesota. Work plans are under development by the Finance Director in coordination with the Department of Commerce Program Integrity Office to establish a Program Integrity Framework for the Exchange. Within this coordinated effort, the Exchange will be using the COSO framework approach to program integrity. This will include creating a control environment, risk assessment, control activities, information and communication systems and monitoring process. Risk mitigation strategies will be developed for ensuring financial integrity, oversight and prevention of fraud and abuse.
- A Finance Work Group has been created to provide technical assistance and information on options related to the ongoing financing of a Minnesota Health Insurance Exchange. The Finance Work Group met three times in late November and early December 2011 and presented options for consideration by the Exchange Task Force in late December 2011.

## **Core Area: Technology**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including an IT Project Director, dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates related to IT infrastructure.
- Sign IT contract completing two-stage "proof of concept" Request for Proposals (RFP) process for "best in class" information technology components of an Exchange. IT contract signed and completed in June 2012.
- Collaborate with Minnesota Department of Human Services to jointly complete Gate Reviews and PAPD.
- Create Technical Work Groups to provide stakeholder input on the design and development of a Minnesota Exchange, including an IT and Operations work group.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- A full-time Information Project Director was hired who is responsible for working with contractors to develop work plans and budget estimates to implement the design and development of IT integration architecture and associated requirements. The Information Project Director is specifically responsible for managing IT implementation timelines and compliance with HHS SDLC stage gate reviews including: Project Start-Up Review, Architecture Review, Project Baseline Review, Preliminary Design Review, Detailed Design Review, Final Detailed Design Review, Pre-Operational Readiness Review, and Operational Readiness Review. This position is also be responsible for coordinating the Exchange's gate review activity with the Department of Human Services' APD activity.
- On July 16, 2012, Minnesota announced the execution of a \$41 million dollar contract with Maximus, Inc. to design and develop the technical capabilities, including a consumer friendly website, for Minnesota's health insurance exchange and a portion of Medicaid modernization. The contract with Maximus covers the development of technology supporting various functions that a health insurance exchange would need to perform. Those functions include individual eligibility determination and enrollment, small employer eligibility and enrollment, certification and display of health benefit plan options and costs, navigator and agent/broker listing, display of health care provider information, premium aggregation and payment and account administration. Further, a State-mandated project risk analysis was conducted and a Risk Management Plan developed. The plan will be managed in coordination with the State PMO.
- To date, Minnesota has completed three establishment reviews that are part of the Federal Enterprise Life Cycle Design Review process for Exchange IT Infrastructure. These reviews were conducted jointly with the Exchange and our Medicaid agency to facilitate a streamlined review process with CCIIO for gate reviews and CMS for the APD process.
  - (1) Architecture and (2) Project Baseline review, November 2011: This meeting included discussions about Minnesota's modular IT development strategy, IT RFP status update, project management, development lifecycle, design considerations, current and proposed systems and performance measures.
  - (3) Design Review, May 2012: This two-day meeting covered a wide range of topics including governance, organizational structure, project management, plan management and quality, eligibility and enrollment, SHOP, risk adjustment and reinsurance, re-use

and interoperability, consumer and stakeholder engagement, financial management, finance and accounting, systems design, security and contingency.

## **Core Area: Privacy and Security**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Senior Counsel, dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates related to privacy and security of an Exchange.
- Privacy and Security provisions have been built into the technical and business infrastructure contract that was signed in July 2012.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Senior Counsel, dedicated to building on activities accomplished under the Planning Grant to develop detailed work plans, timelines and budget estimates related to privacy and security of an Exchange.
- Privacy and Security provisions have been built into the technical and business infrastructure contract that was signed in July 2012.

## **Core Area: Oversight, Monitoring and Reporting**

### **What are the primary strategies your Program has used to approach this Core Area?**

- Hire full-time staff within the Department of Commerce, including a Senior Counsel, dedicated to oversight, monitoring and reporting.
- Utilize existing state processes and procedures.

### **What are some of your Program's significant accomplishments or strengths in this Core Area?**

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