

## Minnesota Project Narrative

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### **A. Demonstration of Past Progress**

In February 2011, the State of Minnesota applied for and received a \$1 million Exchange Planning Grant. The grant has been used to conduct planning activities for the establishment of an Exchange for Minnesota. Since receiving the Planning Grant four months ago, the Minnesota Departments of Commerce, Human Services, and Health have engaged in extensive collaborative efforts to plan for an Exchange and have demonstrated significant progress in the following core areas:

#### **Background Research**

Minnesota has a long history of conducting research and applied policy analysis to monitor factors influencing health care cost, quality, and access in the State. Since the early 1990s, Minnesota has collected data on health care costs and spending, sources of health insurance coverage, characteristics of the uninsured, private market insurance coverage levels, benefits, and premiums, and trends in health care provider and insurer markets to help inform policy decisions on issues related to health care cost, quality, and access.

These data sources provide a wealth of baseline information on Minnesota's health care market to help inform analyses of the impact of requirements and options for an Exchange. Minnesota conducts its own household survey to collect detailed information on the sources of health insurance coverage, number of uninsured (currently 480,000) and characteristics of the uninsured. (For more information, see: [http://www.health.state.mn.us/divs/hpsc/hep/publications/coverage/2009resultshas\\_2.pdf](http://www.health.state.mn.us/divs/hpsc/hep/publications/coverage/2009resultshas_2.pdf) ). Minnesota also regularly surveys health insurers to track trends in benefits, premiums, and enrollment for the roughly 400,000 lives in the small group market and 250,000 lives in the non-group market. Ten insurers participate in Minnesota's small group market (i.e., groups of 2-50) and the top three insurers represent 44%, 26%, and 22% of the market share. Twelve insurers participate in the individual market in Minnesota and the top four insurers represent 70%, 10%, 9%, and 7% of the market share. For more information on Minnesota's health care market, see: <http://www.health.state.mn.us/healthconomics> .

To understand the requirements, options, costs and coverage impacts of an Exchange, Minnesota entered into a contract with Dr. Jonathan Gruber and Gorman Actuarial in March 2011 with Exchange Planning Grant funds. Dr. Gruber and Gorman Actuarial are currently using the Minnesota-specific data sources previously described and detailed data submitted by the Department of Human Services (Minnesota's Medicaid agency) and private health insurers on benefits, enrollment, premiums, and claims experience for economic and actuarial modeling. The modeling will project Exchange enrollment and estimate the impact of insurance market and public program changes and options such as the size of the small group market, merger of the individual and small group markets, and implementation of a Basic Health Plan versus Exchange premium tax credits on enrollment, premiums, state spending, and overall health care costs. Preliminary results are expected in July.

Minnesota has created a Background Research Sub-Group within an Interagency Exchange Work Group structure to coordinate these activities. The Sub-Group includes representatives from the Minnesota Departments of Commerce, Human Services, and Health. This Sub-Group will start to review preliminary results in July and engage health insurers to review the results based on data that they submitted for the analysis and test alternative assumptions. Results of the economic and actuarial

modeling will be shared with stakeholders and the Advisory Task Force proposed under this Level-One grant application to inform Exchange policy discussions.

### **Stakeholder Consultation**

Activities under the Planning Grant are being carried out as a collaborative effort from a number of State agencies including the Minnesota Departments of Commerce, Human Services, and Health. An Exchange Work Group and interagency agreements were established in February 2011 to coordinate Exchange Planning Grant activities. Stakeholder and Communications Work Groups were also created to coordinate communications and stakeholder interactions for the Exchange and health reform issues broadly for the Minnesota Departments of Commerce, Human Services, and Health.

To gather diverse perspectives regarding Exchange structure and development, representatives from State agencies have participated in more than 55 meetings with more than 90 stakeholder groups representing all areas of the State, including representatives from the employer, consumer, health insurer, health care provider, tribal, county, and Navigator/broker communities. In April and May 2011, Minnesota worked with contracted facilitators to develop object framing, concept, and process models identifying broad technical and operational issues for an Exchange. These efforts included focus group sessions with stakeholders from across the State related to Program Integration and IT Infrastructure.

Minnesota recently published a Request for Proposals (RFP) for a two-staged, proof of concept approach to evaluate IT infrastructure options and costs for an Exchange with Planning Grant funds. Feedback from the stakeholder focus group sessions conducted in April and May 2011 was used for the development of this RFP. During stage one, RFP respondents will propose prototypes for a fully functioning Exchange technical infrastructure and/or specific component modules. Successful respondents will be awarded stipends to create proposals that include prototypes, detailed cost estimates, work plans, and timeline proposals for potential implementation in stage two. The proposals and prototypes will be made available for public evaluation by stakeholders during stage two and the feedback will be incorporated as part of the evaluation score.

Level-One funding is requested as part of this application to establish a Minnesota Exchange Advisory Task Force. This Advisory Task Force will provide guidance on a number of issues related to the development of an Exchange for Minnesota. Task Force membership will include Commissioners of State agencies, consumers, employers, health care market experts, health care providers, health insurers, insurance brokers, counties, and organizations with experience assisting people with public programs. Staffing for this Task Force will be provided by full-time Exchange staff, also included as part of this Level-One funding request. Level-One grant funding is also requested to engage stakeholders via monthly meetings and conference calls.

### **State Legislative/Regulatory Actions**

State agency staff from the Departments of Commerce, Human Services, and Health analyzed and monitored two Exchange establishment bills (HF1204/SF917 and HF497) that were introduced in the Minnesota State Legislature in the 2011 Legislative Session. There were two informational committee hearings, one in the House of Representatives and one in the Senate, that addressed general Exchange related issues; however, neither of the bills that were introduced had a formal hearing. Multiple Exchange amendments were offered in committee hearings and on the House floor, but none were adopted. A budget agreement was not reached during the Regular Legislative Session and thus, a Special Legislative Session is expected this summer to establish a biennial budget. As of this date, there is no budget agreement and no date has been set for a Special Legislative Session.

## **Governance**

Minnesota efforts related to Governance have focused on analyzing the advantages and disadvantages of different structures. Last summer, the Minnesota Legislative Commission on Health Care Access established a Legislative Exchange Work Group that convened a number of public meetings regarding the pros and cons of various Exchange governance structures. In addition, two different governance models – State agency and not-for-profit organization – were proposed at the Minnesota Legislature this year, though neither bill passed nor had a formal hearing.

Level-One funding is requested for the establishment of an initial Exchange governance structure within the Department of Commerce and funding for full-time Exchange staff. A request for use of Exchange Establishment Grant funds was included and authorized as part of Governor Dayton’s biennial budget request to the 2011 Minnesota Legislature under Minnesota Statutes §3.3005. Funding is also requested for the Commissioner of Commerce to establish an Advisory Task Force, under authority granted in Minnesota Statutes §15.014, to provide guidance on the development of an Exchange for Minnesota. Advisory Task Force membership will include Commissioners of State agencies, consumers, employers, health care market experts, health care providers, health insurers, insurance brokers, counties, and organizations with experience assisting people with public programs in urban and rural areas. Advisory Task Force members will be appointed to serve for two years. Staffing for this Advisory Task Force will be provided by full-time Exchange staff, included as part of this Level-One funding request.

## **Program Integration and IT Infrastructure**

Minnesota’s Exchange planning efforts have included the establishment of a Program Integration and IT Infrastructure Sub-Group under the Interagency Exchange Work Group with broad state agency participation and coordination from the Minnesota Departments of Commerce, Human Services (Minnesota’s Medicaid Agency,) and Health. These coordinated efforts have tried to ensure a positive user experience by focusing on the technical and operational aspects of an Exchange related to:

- Integration of programs and information;
- Creating mechanisms to incent value and competition by health insurers and health care providers;
- Simplifying regulation; and
- Streamline eligibility and enrollment for public health care programs, including where possible, social services.

Minnesota’s efforts have focused on creating a high quality experience with seamless coordination between the Exchange, Medicaid, CHIP, and other State health care programs as well as between the Exchange and insurers, employers, and Navigators/brokers. Minnesota’s goal is to ensure an equally high-quality experience for all individuals seeking coverage, regardless of the source or amount of financial assistance for which they may qualify.

Over the past few months, policy, program, and IT staff from multiple State agencies and various stakeholders worked with a facilitator to develop object framing, concept, and process models to specify broad operational and technical objectives and specifications for an Exchange that could accommodate various policy decisions. Minnesota’s Exchange Planning Grant funded the work with the facilitator, Advanced Strategies, Incorporated. The development of the models included significant collaborative efforts by staff from the Minnesota Departments of Commerce, Human Services, and Health to evaluate existing systems, State and Federal requirements and options, and the anticipated needs of individuals, small businesses, and public program enrollees to ensure that the Exchange IT specifications could facilitate seamless coordination and accommodate various policy decisions. The development process

also included consultation with stakeholders representing insurers, employers, consumers, providers, counties, tribes, and potential Navigators/brokers. RFP specifications for IT infrastructure prototypes for component modules of an Exchange were developed following this process.

In working with stakeholders, Minnesota developed a variety of diagrams outlining the functions and interactions necessary for an Exchange. The two visual depictions in Figure 1 and Figure 2 below provide examples of the work conducted to specify the broad operational and technical objectives of an Exchange. These diagrams have been useful when introducing and discussing Exchange issues with a number of audiences, including stakeholders with varying degrees of familiarity with the topic. The first diagram is a high level visual representation of the functions of an Exchange. The second diagram is a more detailed representation of the informational and financial flows and interactions of an Exchange.

**Figure 1: Functions of an Exchange**

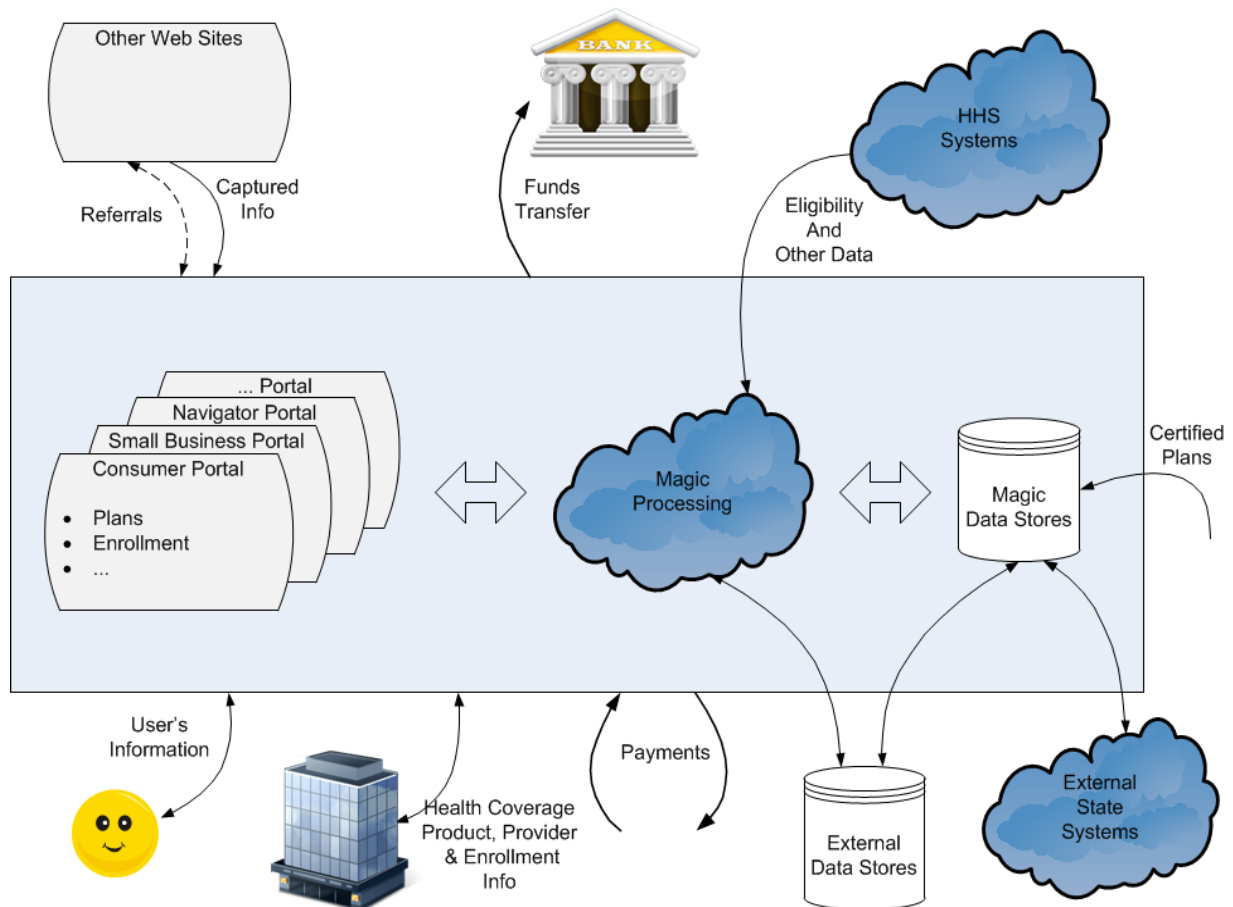
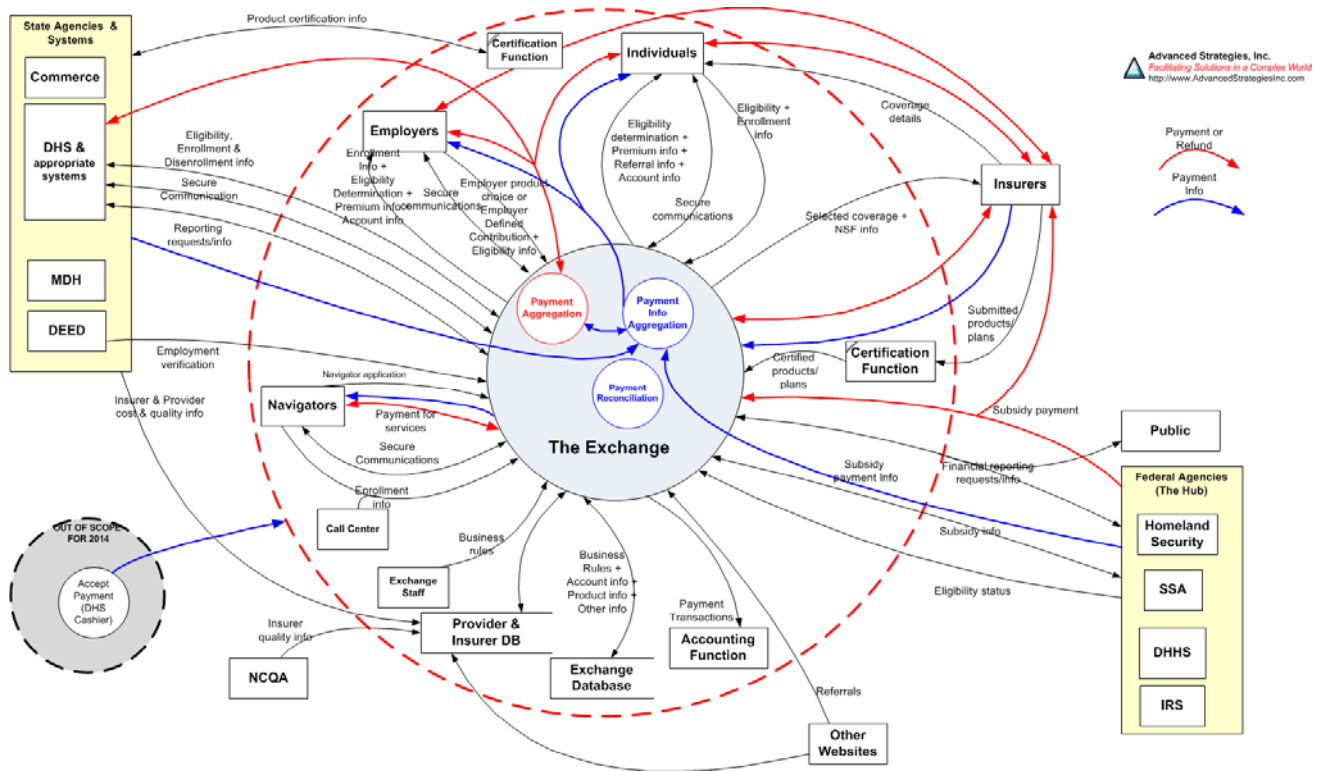


Figure 2: Informational and Financial Flows and Interactions of an Exchange



As part of the Exchange Planning Grant, Minnesota developed a two-stage “proof of concept” RFP for the development of technical infrastructure options and costs for an Exchange. The purpose of the RFP is to obtain prototypes and detailed cost, work plan, and timeline proposals for evaluation of options and costs for possible Exchange implementation. The RFP consists of two stages.

During stage one, respondents propose prototypes and cost estimates, and timelines for implementation of a fully functioning Exchange or specific modules. Based upon evaluation criteria (e.g., extent to which proposal satisfies objectives, industry experience, innovation, flexibility, interoperability, cost, and timing), successful respondents will be awarded stipends of \$10,000 per module for preparing proposals that include prototypes, detailed cost estimates, work plans, and timelines. Each module may have up to three respondents awarded a stipend and a respondent can be awarded stipends for multiple modules up to a maximum of \$80,000 for all modules, or a fully functioning Exchange.

Stage two includes an evaluation of the proposals and prototypes, funded under stage one for possible Exchange implementation. Only respondents receiving a stipend in stage one are eligible to participate in stage two. Actual Exchange implementation may include work done by other States including Early Innovator States, utilization of systems used by Minnesota State agencies, or work based upon a submitted prototype. Stipend awards under stage one were funded with Planning Grant funds. Future contract awards for respondents evaluated under stage two for possible inclusion in Exchange implementation are contingent on receipt of future Federal Establishment Grant funding.

Minnesota is requesting proposals for the development of the following Exchange modules:

1. Individual eligibility and exemption
2. Individual enrollment
3. Small employer eligibility and enrollment
4. Health benefit plan and Navigator/broker certification and display
5. Provider display
6. Fund aggregation and payment
7. Account administration
8. Mobile application or accessibility

The RFP was released on June 20, 2011 with stage one proposals due by July 20, 2011. It is anticipated that stage one evaluation and selection for prototype development will be completed by August 5, 2011. Stage two proposals including prototypes, work plans, timelines, and cost estimates are due by October, 31, 2011.

This RFP is seeking innovative, flexible, and interoperable solutions for design and development of Exchange IT components. Solutions must be flexible to adapt to changing policies and business rules, interoperable within the Exchange and with external systems, and foster the continuous inclusion of new technology that enhances performance and the consumer experience. All proposals are required to comply with HIPAA transaction standards, (including those adopted by the Secretary pursuant to sections 1104 and 1561 of the Affordable Care Act) requirements, as well as State and Federal security and privacy standards consistent with Federal law. Please refer to the Project Principles and Standards listed on page two of the RFP for a more comprehensive list. The full RFP is included as an attachment to this application and can also be found at: <http://www.state.mn.us/portal/mn/jsp/content.do?id=-536893705&agency=Insurance> and click on "Requests for Proposal".

The Minnesota Departments of Commerce, Human Services, and Health also completed a joint Gap Analysis of the State's current IT infrastructure (see item C of the Project Narrative). Findings from this analysis have concluded that a Minnesota Exchange can utilize some existing State systems, however most functionality will need to be derived from new elements. It has also been determined that a Minnesota Exchange will be best developed using an interactive modular component design. It is anticipated that a Minnesota Exchange will take advantage of innovative, flexible, and interoperable solutions from its IT RFP and efforts coming from other States, especially those from the Early Innovator States.

Level-One funding is requested to contract for technical assistance for IT architecture integration and interaction that builds on the RFP modules and IT Gap Analysis. Funding is also requested for the development of the provider display module under the RFP to provide early information and decision-making assistance to individuals and small businesses. Level-One funding is also requested for full-time Exchange staff to develop and work with contractors on detailed plans for IT infrastructure integration and interaction for the Exchange IT architecture.

In the area of IT Infrastructure, Minnesota representatives from the Departments of Commerce, Human Services, and Health have also elected to participate in the UX 2014 project, sponsored by the California HealthCare Foundation and several other national and state health care philanthropies. The project focuses on researching components of a "best-in-class" user experience for an Exchange. As the project develops, Minnesota will share stakeholders' feedback within this effort to ensure that Minnesota both contributes to and learns from the UX2014 project.

### **Financial Management**

Minnesota has created a Financing Options Sub-Group under the Interagency Exchange Work Group with representatives from the Minnesota Departments of Commerce, Health, Human Services, and Management and Budget. This Sub-Group is working closely with the Background Research, Program Integration and IT Infrastructure, and Business Operations Sub-Groups to estimate preliminary upfront and ongoing funding needs for an Exchange and potential financing options.

Minnesota has in place substantial statutory and regulatory requirements and administrative procedures through the Minnesota Departments of Administration and Management and Budget to ensure proper financial management of any grant funds. Level-One funding is requested to hire a Chief Financial Officer to develop a financial management work plan and structure to support the scope of activities required of the Exchange.

### **Program Integrity**

Minnesota has not yet addressed specific auditing, financial integrity, oversight and prevention of fraud, waste, and abuse as it relates to the Exchange. Grant funds are requested as part of this Level-One funding request to hire a Chief Financial Officer to provide oversight and develop program integrity plans for the prevention of fraud, waste, and abuse.

### **Health Insurance Market Reforms**

Minnesota has discussed health insurance market reforms related to an Exchange since 2006. The most recent discussion of the topic occurred when the Legislative Commission on Health Care Access convened a Legislative Exchange Work Group in the summer of 2010. Legislative Exchange Work Group membership included legislators and public members representing a variety of organizations including consumers, employers, insurers, health care providers, brokers, community organizations, and academia. The Legislative Exchange Work Group held a number of public meetings throughout the interim and considered a variety of issues including adverse selection, plan requirements, and eligibility and enrollment. The group did not reach consensus on specific health insurance market reforms.

Listed below are details of other insurance market reform efforts in Minnesota:

- Immediate Insurance Market Reforms – Minnesota State law requires health insurers to submit forms for review and approval before they can be used in Minnesota. Since companies needed to comply with Federal requirements and had a limited time to submit the required state filings, the Minnesota Department of Commerce issued a bulletin (2010-2) to expedite the filing process for health insurers that needed to submit form filings to bring their forms into compliance with the Affordable Care Act. To date, Minnesota has completed review of over 300 filings from insurance companies and HMOs to bring their products into compliance with the ACA. Many of the immediate insurance market reform provisions of the ACA are similar to existing Minnesota requirements; however, there were some differences identified. A bill was introduced to amend Minnesota Statutes to include the immediate insurance market reform requirements of the ACA but the Legislature adjourned the 2011 Regular Legislative Session without passing this legislation.
- Internal Claims and Appeals and External Review Process – Minnesota has had an internal claims and appeals and external review process since 1999. The Minnesota process is similar to the Federal process. A bill was introduced to eliminate identified differences, but the legislation did not pass in the 2011 Regular Legislative Session. Minnesota is currently awaiting guidance from the Federal

agencies to assess the adequacy of Minnesota's process. To facilitate compliance, language has already been added to Minnesota's existing external vendor contract to require the external review vendor to comply with requirements of Federal and State law including the ACA, the Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Internal Claims and Appeals and External Review Processes Under the Affordable Care Act, any amendments, and any other Federal laws or regulations.

- Medical Loss Ratio/Rate Increase Disclosure and Review – Minnesota has had an existing loss ratio requirement and an existing rate review process that requires prior approval of health insurance rates. This is another area where legislation did not pass but where Minnesota can be an Effective Rate Review state. While existing State law regarding classification of insurance filing data does not make filings public until they become effective, efforts are currently underway to create a process to allow public comment on proposed rate increases for which CMS has posted on its website that are considered to be potentially unreasonable.
- PCIP Plans – Minnesota elected to have the Federal government run the PCIP plan. Legislation was passed and signed into law in 2010 that required that Minnesota's existing state high risk pool (the Minnesota Comprehensive Health Association), as well as the Department of Commerce and Department of Human Services to provide information to consumers about the Federal PCIP plan.

Level-One funding is requested for the establishment of an Advisory Task Force to provide guidance on Exchange related issues, including health insurance market reforms.

### **Business Operations/Exchange Functions**

Minnesota's planning activities regarding Business Operations and Resources and Capabilities have included the establishment of a Sub-Group under the Interagency Exchange Work Group with representatives from the Minnesota Departments of Commerce, Human Services, and Health. The goal of this Sub-Group is to create an initial assessment of existing functions related to the operations of an Exchange and to develop preliminary cost estimates for various Exchange business operations. The Sub-Group is currently working on an initial assessment of existing processes at the Minnesota Departments of Commerce, Human Services, and Health related to: call centers - including services, processes and timing for call resolution, and training requirements for call center staff; consumer assistance; quality rating systems; outreach and education, risk adjustment – including methods, data sources, and the costs of obtaining, maintaining, and using data sources for existing risk adjustment mechanisms; Navigators/brokers – including training/education requirements and compensation; premium collection and aggregation; notices; regulation of health insurers and health benefit plan certification; providing information about consumer protections; and collecting data on inquiries and complaints and how issues are resolved.

Level-One funding is requested to hire full-time Exchange staff devoted to building on the work of the Sub-Group under the Planning Grant, and developing and executing on detailed work plans, timelines, and budget estimates through 2014 related to Business Operations and Exchange Functions. Specifically, Minnesota is requesting funding to hire a Chief Operating Officer, Commercial Operations Director, Public Programs Operations Director, Measurement and Reporting Director, and Communications and Marketing Director.

Funding is also requested to conduct marketing research to assist in the development of options and cost estimates for public education, outreach, and marketing efforts for an Exchange. The goal of this



research is to better understand the communications, public awareness, engagement strategies, and timing that will be most effective in educating Minnesotans about an Exchange.

### **Providing Assistance to Individuals and Small Businesses, Coverage Appeals and Complaints**

Minnesota has begun to inventory its current systems in place for individual and small business coverage appeals and complaints. Currently these functions exist in a number of State agencies and the Business Operations Sub-Group is including these functions in its ongoing inventory of State activities. Level-One funding is requested to hire full-time Exchange staff that will focus on developing and executing detailed work plans and timelines regarding these functions of an Exchange to ensure that efforts are coordinated across the agencies to provide a seamless system to handle future Exchange customers' needs and grievances.

## **B. Proposal to Meet Program Requirements**

The Minnesota Departments of Commerce, Human Services, and Health are working collaboratively toward the establishment of a state-level Exchange. As outlined in the previous section, Minnesota has made substantial progress in the four months since receiving a Planning Grant and has accomplished a number of key milestones necessary to meet the timelines related to the creation of an Exchange. Minnesota's focus for this Level-One funding request is to build upon and expand the collaborative work completed under the Planning Grant and establish an initial governance structure responsible for developing detailed work plans and budget estimates through 2014 and executing on the work plans to ensure that Minnesota has a fully functional Exchange by January 1, 2014 that can be certified by the U.S. Department of Health and Human Services (HHS) by January 1, 2013.

Listed below are brief descriptions of the components of this Level-One funding request. Additional detail on this funding request is available in the following sections, organized by four core area categories:

- **Governance and Stakeholder Consultation:** Level-One funding is requested to establish an initial governance structure within the Minnesota Department of Commerce with full-time staff dedicated to the development of Minnesota's Exchange. Funding is also requested for the creation and maintenance of an Advisory Task Force to provide guidance on the establishment of an Exchange and implementation of health insurance market reforms. Level-One grant funding is also requested to engage stakeholders via monthly meetings and conference calls.
- **Program Integration and Business Operations:** Funding is requested under this application to hire full-time Exchange staff devoted to developing detailed work plans, timelines, and budget and cost-allocation estimates through 2014 and completing milestones specified by HHS for Exchange functions related to Program Integration, Business Operations, and Providing Assistance to Individuals and Small Businesses Including Coverage Appeals and Complaints. Level-One funding is also requested under this category to conduct marketing research to assist in the development of options and cost estimates for public education, outreach, and marketing efforts to inform Minnesotans about the Exchange.
- **IT Infrastructure:** Level-One funding is requested to contract for technical assistance for IT architecture integration of interoperable modular components recently released by Minnesota in an

RFP and interaction of Exchange IT activity with other State, Federal, and partnered systems. Level-One funding is also requested for the development of a provider display module under the recently released RFP to provide early information and decision-making assistance to individuals and small businesses. Funding is also requested for full-time Exchange staff to develop and work with contractors on detailed work plans and budget and cost allocation estimates for IT architecture integration and interaction.

- Financial Management, Program Integrity, and Financing Mechanisms: Funding is requested for a full-time Chief Financial Officer to create detailed work plans and budget estimates through 2014 related to financial management, program integrity activities to prevent fraud, waste, and abuse, and upfront and ongoing Exchange financing mechanisms, including cost allocation between Medicaid and Exchange funding streams.

### **Governance and Stakeholder Consultation**

Level-One funding is requested for the establishment of an initial Exchange governance structure within the Department of Commerce and funding for full-time Exchange staff. A request for use of Exchange Establishment Grant funds was included and authorized as part of Governor Dayton's biennial budget request to the 2011 Minnesota Legislature under Minnesota Statutes, §3.3005. To facilitate timely establishment of an Exchange, full-time staff must be dedicated to Exchange implementation. Minnesota plans to establish a core leadership team including an Exchange Director, as well as operational, financial, IT, legal, and project management staff. Staff specifically tied to this proposal category include the Exchange Director, General Counsel, Project Manager, and Executive Assistant. Brief descriptions of these staff responsibilities are included below. More detailed position descriptions are included in the "Descriptions of Key Personnel and Organizational Chart" section of this application. Other Exchange staff have been allocated to other proposal categories.

- Exchange Director: The Exchange Director is the Chief Executive Officer of the Exchange and is responsible for the entirety of Exchange activities, working closely with Exchange staff, Commissioners of State agencies, and the Advisory Task Force to define and execute its mission and responsibilities.
- General Counsel: The General Counsel is responsible for providing legal counsel and providing legal services on a variety of matters pertaining to the Exchange and its programs and operations, including compliance with State and Federal laws and review and negotiation of all contracts.
- Project Manager: The Project Manager is responsible for coordinating all work plans and timelines associated with the Exchange and ensuring that all grant reporting responsibilities are met. The Project Manager is also responsible for tracking all relevant Federal and State legislation, guidance, and proposed rules, and coordinating appropriate responses with Exchange staff and the Minnesota Departments of Commerce, Human Services, and Health.
- Executive Assistant: The Executive Assistant is responsible for providing administrative support to the Exchange Director, all Exchange staff, and the Advisory Task Force.

Funding is also requested for the Commissioner of Commerce to establish an Advisory Task Force, under authority granted in Minnesota Statutes §15.014 to provide guidance on the development of a Minnesota Exchange and implementation of health insurance market reforms. The Advisory Task Force will provide guidance on a number of issues, including but not limited to:

- Size of the small employer market
- Merger of the individual and small group markets
- Establishment of a Basic Health Plan versus Exchange subsidies
- Provisions to avoid adverse selection
- Risk adjustment
- Regulatory simplification
- Cost, quality, satisfaction rating for insurers and health benefit plans
- Navigator program provisions
- Long-term governance
- Ongoing funding mechanisms

The Advisory Task Force membership will include Commissioners of State agencies, consumers, employers, health care market experts, health care providers, health insurers, insurance brokers, counties, and organizations with experience assisting people with public programs in urban and rural areas. Task Force members will be appointed to serve for two years. It is anticipated that Task Force members would be appointed and that the first meeting would be held by the end of September 2011. Staffing for this Task Force will be provided by full-time Exchange staff.

Level-One grant funding is also requested to engage stakeholders via monthly meetings and conference calls and a specific process for consultation with Federally recognized Tribal governments. The Communications and Marketing Director will coordinate monthly open meetings and conference calls with a variety of stakeholders. Half (six) of the monthly in-person meetings will take place in the Minneapolis/St. Paul metropolitan area and half (six) of them will be held in various locations throughout Greater Minnesota.

### **Program Integration and Business Operations**

In order to facilitate the development of detailed work plans and budget estimates through 2014 and the completion of milestones related to Program Integration and Business Operations, Minnesota proposes to hire full-time operational staff for the Exchange. Specifically, Minnesota is requesting funding to hire a Chief Operating Officer, Commercial Operations Director, Public Programs Operations Director, Measurement and Reporting Director, and Communications and Marketing Director. Brief descriptions of these staff responsibilities are included below, including responsibilities for specific HHS milestones that tie to the Work Plan section of this application. More detailed position descriptions are included in the “Descriptions of Key Personnel and Organizational Chart” section of this application.

- Chief Operating Officer: The Chief Operating Officer is responsible for establishing operational priorities and managing the operational aspects of an Exchange including commercial and public program operations, measurement and reporting, and communications and marketing. This position is responsible for ensuring collaboration and program integration between the Exchange and various State agencies including the Departments of Commerce, Human Services, and Health. This position is specifically responsible for work plan development and execution for HHS milestones related to the areas of program integration, assistance, appeals, complaints, and notifications, health benefit plan certification, call center services, quality rating systems, risk adjustment, Navigator program provisions, partnerships with counties, outreach and education, and small employer functions.

- Commercial Operations Director: The Commercial Operations Director is responsible for coordinating, developing, and implementing strategy for commercial operations related to the Exchange and managing Exchange and commercial integration issues. The Commercial Operations Director serves as the liaison between the Exchange and the Minnesota Departments of Commerce and Health for the individual and small group markets. This position is specifically responsible for work plan development and execution for HHS milestones related to the commercial areas of program integration, individual and employer assistance, appeals, complaints, and notifications, health benefit plan certification, call center services, Navigator program provisions, and small employer functions.
- Public Programs Operations Director: The Public Programs Operations Director is responsible for coordinating, developing, and implementing strategy for public program operations related to the Exchange and managing Exchange and public program integration issues. The Public Programs Operations Director serves as the liaison between the Exchange and the Minnesota Department of Human Services in its role as Minnesota’s Medicaid Agency. This position is specifically responsible for work plan development and execution for HHS milestones related to the public program areas of program integration including eligibility and enrollment for public health care programs and social service programs to the extent feasible and practical, assistance, appeals, and complaints, call center services, partnerships with counties, and Navigator program provisions.
- Measurement and Reporting Director: The Measurement and Reporting Director is responsible for the design, development, and reporting of quality rating systems for the Exchange including cost, quality, and customer satisfaction. This position is also responsible for issues pertaining to data sources, methods, and operational functions for conducting risk adjustment. This position is specifically responsible for ensuring coordination in these areas between the Minnesota Departments of Commerce, Human Services, and Health.
- Communications and Marketing Director: The Communications and Marketing Director 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 communications and outreach activities with the Minnesota Departments of Commerce, Human Services, and Health.

In order to create a comprehensive outreach and education strategy, Minnesota is also requesting Level-One grant funding to contract with a communications and marketing firm to conduct marketing research to better understand the communications, public awareness and engagement strategies that will be most effective in educating Minnesotans about an Exchange. The initial research phase will result in a report outlining the target audiences, proposed strategies to reach them, and potential messaging that may resonate with those audiences.

The goal of this work is to use this research to help inform the components and deliverables for a statewide public awareness campaign. Because Minnesota’s target audiences will span the entire state and likely include various subgroups, both qualitative and quantitative research methods will be utilized, such as:

- Statewide Consumer Survey: Level-One funding is requested to conduct a random sample phone survey of 800 people, covering various populations in both urban and rural communities.

- Survey of Employers/Businesses: Level-One funding is requested to conduct a random sample phone survey of 250 large and small employers.
- Consumer/Business Focus Groups and Key Informant Interviews: Level-One funding is requested to conduct up to ten focus groups of consumers, businesses, counties, and opinion leaders to enhance Minnesota's understanding of their perspectives. This component may also include one-on-one key informant interviews as needed to supplement this qualitative research. Representatives from diverse and underserved communities from rural and urban communities across the state will be included in this research.

Minnesota will solicit bids for marketing research via an RFP process. Details of this work will be coordinated by the Communications and Marketing Director.

### **IT Infrastructure**

Level-One funding is requested to contract for technical assistance for IT architecture integration and interaction that builds on the RFP modules described earlier (see item A in the Project Narrative) and the IT Gap Analysis described below (see item C of the Project Narrative). This technical assistance will be secured through an RFP process and will include the following components:

Exchange Component Integration: Funding is requested to provide resources for technical assistance related to the integration of Exchange IT module components and the development of an integrated system architecture. The IT infrastructure of Minnesota's Exchange is envisioned to be comprised of innovative, flexible, and interoperable modular components. Specification guidelines for the integration of the modular components are critical to the success of the Exchange. This technical assistance will ensure that development efforts are integrated throughout the stages of development. Products of this technical assistance will include, but are not limited to the following items:

- Exchange session variables or fields
- Module exchange of information or requests
- Transaction variables or fields
- Audit tracking variables or fields
- Used NIEM transfer standards
- Application Programming Interface (API) parameters
- Guidelines for module development

Besides the core modules, the Exchange has functionality requirements that were not part of the recently released RFP. These items will also need to be developed as part of this request along with the ability to integrate them into the Exchange. These items include, but are not limited to:

- Accessibility (e.g. Ensuring disability standards are met and possible interaction with other technologies such as phone - via IVR - or Fax systems)
- Assistance (e.g. Processing of user requests, surveys, complaints, and other items needing an assistance process)
- Data quality (e.g. Possible address verification and areas needing data resolution requests)
- Data base design and configuration
- Enterprise Service Bus
- Processing (e.g. Establishing and implementing data processes within the Exchange and between the modules)

- Report generation (e.g. System performance, audits, security, program integrity and evaluation)
- Rules Based engine (e.g. use by all modules)
- Security (e.g. Audit reporting, security scans, HIPAA requests, etc.)
- Server and hardware configuration
- System design (e.g. implementing style guides and work done by the UX 2014 project)

Exchange System Interaction: Related to component integration, there is also a need for technical assistance related to the interaction of Exchange IT activity and information with partnered systems. It is Minnesota's intention that the Exchange be fully interactive with existing partnered State systems, including Medicaid/CHIP and commercial systems used by the Department of Commerce for insurance regulation. The RFP for technical assistance for Exchange Component Integration and Exchange System Interaction will be combined.

Two main focal points will be targeted during the Exchange System Interaction activities. The first will include partnered systems of the Exchange. These systems are not envisioned as being integrated with the Exchange, but do require a strong interaction. Most of these systems will require data transfers to be setup with the Exchange. Technical assistance will be used to work with these systems to help facilitate the best means of interaction. Some of these duties will include, but are not limited to:

- Establishing data needs and standards between the external system(s) and the Exchange
- Helping to determine and implement the best mechanism for Electronic Data Interchange (EDI)
- Identifying duplicate processes and facilitating the implementation of a streamlined process

The second focal point of the technical assistance is planning for the possible establishment and implementation of a State Hub. A State Hub could help eliminate duplicate point-to-point connections between the Exchange and partnered systems. A State Hub could offer flexibility in adapting to a diverse range of technologies and data formats that exist across different systems. It also provides an opportunity for State entities to collaborate with one another to define and build shared reusable managed services. Some entities that could benefit from a State Hub include various systems in different State agencies, multiple health insurers participating in the Exchange, contracted vendors providing services for the Exchange (i.e. payment aggregation), as well as communications functions between Exchanges in other States. Some of these duties will include, but are not limited to:

- Establishing NIEM and other data standards to be used with the State Hub
- Establishing any assisting data elements to be used as translational or cross walk elements
- Establishing protocols for interacting with the State Hub
- Identifying hardware and software requirements of the State Hub

Funding is also requested for full-time Exchange staff to develop and work with contractors selected under this RFP on detailed plans and budgets for IT integration and interaction for the Exchange IT architecture. Minnesota is specifically requesting funding for a Chief Information Officer and an IT Project Director. Brief descriptions of these staff responsibilities are included below, including responsibilities for specific HHS milestones that tie to the Work Plan section of this application. More detailed position descriptions are included in the "Descriptions of Key Personnel and Organizational Chart" section of this application.

- Chief Information Officer: The Chief Information Officer is responsible for leading the successful implementation of all information technology functions of the Exchange, including working with the Minnesota Departments of Commerce, Human Services, and Health and contractors on the design

and development of an IT integration architecture and requirements that facilitate interaction with partnered systems.

- **IT Project Director:** The IT Project Director is responsible for working with contractors to develop work plans and budget estimates to implement the design and development of an IT integration architecture and associated requirements. The IT 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.

Funding is also requested for the development of the provider display module under the recently released Exchange IT RFP to provide early information and decision-making assistance to individuals and small businesses. The provider display module encompasses functions related to the display of health care provider cost and quality information to assist individuals, employers, and employees in making decisions to choose high quality, low-cost health care providers and associated health benefit plans. This module will display information from Minnesota's Provider Peer Grouping System, which will provide information on composite measures of health care provider cost and quality for hospitals and clinics starting in the fall of 2011.

A description of the provider display module is included in Figure 3 below. The full RFP is included as an attachment to this application and can also be found at:

<http://www.state.mn.us/portal/mn/jsp/content.do?id=-536893705&agency=Insurance> and click on "Requests for Proposal".

### Figure 3: Provider Display Description from RFP

**Provider Display Module:** This module encompasses functions related to the display of health care provider information to assist individuals, employers, and employees in finding, comparing, and selecting a health care provider and health benefit plan. The module must display provider name, location, service provided (including whether the provider is a health care home, see: <http://www.health.state.mn.us/healthreform/homes/index.html>), and other potential data elements. The module must also display information for quality measures and provider peer grouping:

- **Quality Measure Data:** This data will consist of 14 measures for physician clinics and approximately 50 measures for hospitals. For more detail, see: <http://www.health.state.mn.us/healthreform/measurement/index.html>
- **Provider Peer Grouping Data:** This data will consist of composite cost and quality information for physician clinics and hospitals. Individuals should be able to "drill down" into the subcomponent parts of the composites. Some information from the quality measure data listed above is included in the quality composite. Composite cost and quality information will be available for a health care provider's total patient population, as well as for specific conditions including diabetes, pneumonia, heart failure, total knee replacement, coronary artery disease, and asthma. For more detail, see: <http://www.health.state.mn.us/healthreform/peer/index.html>

Health care provider information needs to be displayed in a consumer-friendly manner so that users can clearly discern and easily compare components of personal interest. Respondents should detail their plans for display to help explain the user experience. This module should determine and display health care provider information

based on the preferences of individuals, employers, and employees. Information about health care providers should be provided in a layered display that begins with a high level comparison of composite measures and allows for an expanded comparison of detailed information on cost and quality measures. Specifically, this module should allow for:

- **Search Capability:** The module must provide consumers the capability to search by an array of criteria, including, but not limited to freeform text, condition/diagnosis/procedure, service provided, location, provider/facility name, quality measure, cost measure, and other user-defined terms.
- **Search Results Capability:** The search results capability must display information in consumer/user-friendly formats including explanations of how to interpret the information, readily facilitate comparisons of multiple providers, allow refined searches and sorting of information, allow for the presentation and comparison of current and historical information, provide contact information for providers/facilities, and provide other varying levels of detail of information.

This module must interface with the individual eligibility, individual enrollment, small employer eligibility and enrollment, and account administration modules. Health care providers will need an opportunity to securely preview their information before it is publicly reported. Responders should identify potential options for secure health care provider review of information through this module or through a connection to the account administration module. It is also expected that this module will interact closely with the health benefit plan and Navigator/broker certification and display module. Information from the provider display module should be available as consumers search for information about health care providers associated with specific health benefit plans. Individuals, employers, and employees should be able to start an enrollment process with either the health benefit plan or provider display modules or the individual eligibility/small employer eligibility and enrollment display modules. However, an individual, employer, or employee may shop for health benefit plans or health care providers through the Exchange without determining eligibility or starting an enrollment process. This module must be a component that is fully integrated into the Exchange. A module that takes a user away from the Exchange to an external, non-Exchange website will not be considered.

Upon selection of a responder's prototype for possible implementation in stage two, the following requirements would need to be incorporated into the work plan:

- A database structure must be developed and populated using quality measure and provider peer grouping data provided by the State.
- The contractor must provide a mechanism to populate this database independently after expiration of the contract. The database population mechanism must pull the data from the agreed upon format, without format modifications unless previously approved.
- Functionality for scalability should allow for the inclusion of additional information about providers in the future. Responders should identify other potential types of information about providers that would be of interest to consumers and/or providers and potential data sources for this information. Note: The State already has access to data needed for quality and provider peer grouping purposes.
- A reload mechanism must be developed so nontechnical staff can upload a full year of data to the application. The developed mechanism must allow the user to reload all or a specific part of this data.
- Technical design specifications must be provided along with field definitions and functionality, process flow, schema design, logical and physical data models in an ERD format and a data dictionary.
- The module maintenance interface must be made accessible for review.

### **Financial Management, Program Integrity, and Financing Mechanisms**

Level-One funding is requested to hire a Chief Financial Officer to provide strategic direction for the financial operation of the Exchange. The Chief Financial Officer will also ensure compliance with HHS



financial monitoring and reporting activities. This work will include developing detailed work plans and budget estimates through 2014 to ensure that Minnesota meets HHS milestones for financial management, program integrity activities including the prevention of fraud, waste, and abuse. The Chief Financial Officer will also have lead responsibility for creating and overseeing Exchange financing mechanisms, including collaboration with the Department of Human Services on cost allocation between Medicaid and Exchange funding streams. A more detailed position description is included in the “Descriptions of Key Personnel and Organizational Chart” section of this application.

### **C. Summary of Exchange IT Gap Analysis**

#### **Technical Architecture**

The Minnesota Departments of Commerce, Human Services, and Health have completed a joint Gap Analysis of IT components and systems in relation to the IT functions necessary for an Exchange. The current State technical architecture that could be used for an Exchange is very diverse and compartmentalized within current systems. For example, systems that would relate to eligibility and enrollment for Medicaid are over twenty years old and the main processing systems for commercial plan information reside outside the State at a system operated by the National Association of Insurance Commissioners (NAIC). A description of these existing systems is found in Table 1.

Findings from this analysis have concluded that a Minnesota Exchange can benefit and utilize some existing State systems, however most functionality will need to be derived from new elements. Although a complete IT infrastructure has yet to be developed and funding is requested under this application to further IT architecture integration and interaction, based on the facilitated work with Advanced Strategies, Incorporated, it has been determined that a Minnesota Exchange will be best developed using an interactive modular component design. It is anticipated that a Minnesota Exchange will take advantage of innovative, flexible, and interoperable solutions from its IT RFP and efforts coming from other States, especially those from the Early Innovator States.

#### **Applicable Standards**

Planning and management efforts of the project will be utilizing applicable standards in the development and interaction of information with the Minnesota Exchange. All development activities are required to comply with HIPAA transaction standards (including those adopted by the Secretary pursuant to sections 1104 and 1561 of the Affordable Care Act), accessibility requirements, as well as State and Federal security and privacy requirements. Please refer to the Project Principles and Standards listed on page two of the Minnesota IT RFP for a more comprehensive listing. The RFP can be found at: <http://www.state.mn.us/portal/mn/jsp/content.do?id=-536893705&agency=Insurance> and click on “Requests for Proposal”.

Other key standards that the State Exchange will be relying upon will be the National Information Exchange Model (NIEM) and the Medicaid Information Technical Architecture (MITA). Both of these specifications will play a critical role in the interactions of the Exchange and the data transfer between systems. The use of MITA will also provide support of a high quality customer experience, as well as seamless coordination between Exchanges, Medicaid, CHIP, and other State health care programs and between the Exchanges and insurers, employers, and Navigators/brokers.

**HIPAA**

Exchange planning efforts will include requirements for complying with HIPAA Privacy and Security Regulations. Work that has been done on current State systems will provide the framework for meeting the current and any future needs within the Exchange. Milestones and phase periods identified throughout the project management of the Exchange implementation will require compliance with all HIPAA Regulations.

**Accessibility for Individuals with Disabilities**

Exchange IT systems must include usability features or functions that accommodate the needs of persons with disabilities and limited English proficiency. All work being done on the Exchange must comply with the Minnesota IT Accessibility Standards effective September 1, 2010, which entails, in part, the Web Content Accessibility Guidelines (WCAG) 2.0 (Level AA) and Section 508 Subparts A-D which can be viewed at: [http://www.mmd.admin.state.mn.us/pdf/accessibility\\_standard.pdf](http://www.mmd.admin.state.mn.us/pdf/accessibility_standard.pdf) . These State guidelines are in accordance with the Federal Rehabilitation Act and the Americans with Disabilities Act.

**Security and Federal Information Processing Standards**

Per National Institute of Standards and Technology (NIST) publications, Exchange design and implementation will take into account security standards and controls. For details on NIST publications, see: <http://csrc.nist.gov/publications/PubsSPs.html> . The Exchange will comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) security and privacy requirements, including standards soon to be promulgated, see: <http://csrc.nist.gov/publications/PubsFIPS.html> . The design will take into account Medicaid and Child Health Insurance Program privacy protections specified under Code of Federal Regulations (CFR), Title 42, Parts 431.300 through 431.307 and Part 457.1110. The Exchange will also comply with the Federal Information Security Management Act of 2002 (FISMA).

Exchange work plans will include the facilitation of secure communications and notifications between components and systems. Security and auditing provisions are also planned to provide a robust accountability for actions dealing with account administration as well as other areas of the Exchange. The ability to report these actions may be performed by staff administration through the account administration module specified under Minnesota's recently released Exchange IT RFP.

**Table 1: IT Gap Analysis**

Name	Description	Current Hardware/Software	Goals
<b>MAXIS</b>	<p>MAXIS determines eligibility and issues payments for public assistance, food support and some health care programs.</p> <p>It is used by both State and county staff. MAXIS links all 87 Minnesota counties so that benefits and eligibility determinations are uniform throughout the State.</p> <p>Some programs that are supported by MAXIS:</p> <ul style="list-style-type: none"> <li>• Medical Assistance (MA)</li> <li>• Medicaid</li> <li>• General Assistance Medical Care (GAMC)</li> <li>• MN Family Investment Program (MFIP){MN TANF}</li> <li>• Federal Food Support Program (Food Stamps)</li> <li>• MN Supplemental Aid (MSA)</li> <li>• Group Residential Housing (GRH)</li> <li>• IV-E Foster Care</li> </ul> <p>The original MAXIS system was implemented in 1991. Initiation begins with paper processing that is eventually data entered into the system.</p> <p>While it is very integrated and has a lot of functionality, it has become expensive to operate and can be difficult to modify to meet current and future needs. Integration will be difficult based on the age and complexity of the system.</p>	<p>The primary operating system is the zOS &amp; z/Linux and IBM mainframe.</p> <p>The original Maxis system was built using ADABAS and Natural and those technologies continue to be the underlying support for the newer Child Care programs for eligibility determination and provider payment. Java and web services are increasingly in use for front end and interface actions.</p>	<p>A system replacement is planned but not currently scheduled.</p> <p>Integration with the Exchange for consistent eligibility determination. Expectation is that eligibility for most people is determined in a simple, consumer friendly, “real time” manner and that the same customer experience is provided to all individuals. However, some individuals may require a more detailed eligibility process that begins with the Exchange, but may be concluded elsewhere; the Exchange will facilitate referrals and transfers of information for these individuals who require a more detailed eligibility analysis.</p> <p>We are considering the utilization of shared rules via the rules engine component.</p>
<b>MEC<sup>2</sup></b>	<p>Minnesota Electronic Child Care is a front end interface to the MAXIS system.</p> <p>It supports the determination of eligibility and the delivery benefits for the Child Care Assistance Program (CCAP).</p>	<p>A java web application that is launched from web services/application servers to run on the user’s computer. Backend is MAXIS: NATURAL and ADABAS.</p>	<p>Future intention is to enable eligibility information to be shared between systems.</p>

Name	Description	Current Hardware/Software	Goals
<b>MMIS</b>	<p>The Medicaid Management Information System pays medical bills and managed care capitation payments for Minnesota Department of Human Services (DHS) administered Minnesota Health Care Programs (MHCP) recipients, generates DHS program data for research and forecasting, assists in detecting medical fraud, and employs technological solutions to reduce costs and improve services for health care providers. Eligibility information for over 600,000 clients is stored within MMIS and over 30,000,000 claims are processed annually.</p> <p>Some program service payments that are supported by MMIS:</p> <ul style="list-style-type: none"> <li>• Medical Assistance (MA)</li> <li>• General Assistance Medical Care (GAMC)</li> <li>• MinnesotaCare (MNCare)</li> <li>• Medicare-related programs</li> <li>• Waivered Services Programs</li> </ul> <p>The system records MinnesotaCare eligibility results determined through a manual process. MMIS also supports Interactive Voice Response (IVR).</p>	<p>The primary operating system is the zOS IBM mainframe. The system uses COBOL, SQL and Customer Information Control System (CICS) components against both Virtual Storage Access Method (VSAM) and DB2 database.</p> <p>Newer components, including the MN-ITS system which supports provider billing, make use of Java and Oracle in a Service Oriented Architecture (SOA).</p> <p>Some applications that interact with MMIS:</p> <ul style="list-style-type: none"> <li>• MN-ITS</li> <li>• IBM WebSphere Enterprise Service Bus and registry</li> <li>• Filenet</li> <li>• Oracle Database</li> </ul>	<p>A plan to migrate the system from the mainframe to a server environment has been developed in alignment with MITA.</p> <p>Integration with the Exchange for the enrollment of eligible individuals to Medicaid and other State programs.</p>
<b>MN-ITS</b>	<p>MN-ITS is a group of web application that supports online provider functions. The system serves as a “front-end” to the MMIS system to enable providers to determine recipient eligibility, submit claims, obtain claim status and get their remittance advice free and online. Other functions are also available through the provider portal such as: pharmacies can access RxCompare via MN-ITS to update their drug prices, specialized health care programs like health care home, as well as children mental health assessments and drug history inquiries.</p>	<p>Launched from web services/application servers to run within a user’s browser.</p> <p>A Java web browser application that utilizes an Oracle database.</p>	<p>Migrate system to service based architecture with reusable services to align with MITA principles.</p>

Name	Description	Current Hardware/Software	Goals
<b>PRISM</b>	<p>The system is Federally mandated to support Minnesota’s Child Support Enforcement programs.</p> <p>Some functions that are supported by PRISM:</p> <ul style="list-style-type: none"> <li>• Locate missing non-custodial parents</li> <li>• Implement automatic withholding with employers for support</li> <li>• Enforce child support orders</li> <li>• Centralize receipt and disbursement of child support payments as required by Federal law.</li> </ul> <p>Newer components, including functions that support employer requirements, use Java. PRISM supports an IVR and an online employer inquiry function.</p>	<p>The primary operating system is the zOS &amp; z/Linux and IBM mainframe.</p> <p>The system was built using ADABAS and Natural. A recent study recommended replacement but suggested a policy simplification be completed prior to a system replacement. Newer components make use of Java and Oracle in a SOA.</p>	<p>A system replacement is planned and a schedule is being worked out.</p> <p>Expectations are that PRISM will have some integration with the Exchange to facilitate continued health care coverage to children and or ex-spouses. The exchange of employer information will need to be conducted between the Exchange and PRISM.</p>
<b>SMI</b>	<p>The Shared Master Index provides a single identification number and a table of separate system IDs as a cross reference, making it possible to bring together information from multiple systems. The application streamlines interchange of information among State and county systems.</p>	<p>A Java/DB2/web services application being migrated to a Java and Oracle in a SOA.</p>	<p>There are no plans to replace.</p> <p>Expectations are that SMI will be used to help match Exchange participants with State program participants.</p>
<b>SSIS</b>	<p>The Social Services Information System is a Case management system for county social workers.</p> <p>Some support services performed by SSIS:</p> <ul style="list-style-type: none"> <li>• Child protection</li> <li>• Foster Care</li> <li>• Adoption</li> <li>• Children’s mental health</li> <li>• Adult maltreatment reporting</li> <li>• Waiver claiming</li> </ul> <p>An extensive financial sub-system supports MMIS billing and county financial management which includes time-reporting, client communications, case management functions, and extensive reporting.</p>	<p>Originally built using Delphi and Oracle</p>	<p>A system upgrade is planned and a schedule is being worked out to simplify maintenance and centralize much of the data. It is also being planned to eliminate the need for large servers in the counties.</p> <p>It is desirable for Navigators, especially county social workers, to be able to utilize SSIS interactions with the Exchange.</p>

Name	Description	Current Hardware/Software	Goals
<b>Data Warehouse</b>	Facilitates enterprise-wide access to extensive information from the DHS service delivery systems to meet various needs, such as Federal reporting, State evaluation, county performance and county operations in targeting services.	Utilizes a Teradata warehouse system.  The system makes use of business intelligence tools.	The data warehouse tool licenses will run out in about 2 years. It is expected that a re-bid will occur.  The Exchange could utilize the storage and tools of the Data Warehouse via a State Hub.
<b>SERFF</b>	The System for Electronic Rate and Form Filing is sponsored and operated by the National Association of Insurance Commissioners (NAIC) and is governed by the SERFF board.  The system is designed to enable companies to send and States to receive, comment on, and approve or reject insurance industry rate and form filings.	The system utilizes a web interface as well as the ability to invoke an Application Programming Interface (API) to interact with other systems.  The API was developed using the Java Web Services Developer Pack (JWSDP). Modifying and interacting with the API utilizes some of the following technologies: <ul style="list-style-type: none"> <li>• XML</li> <li>• SOAP</li> <li>• Java</li> <li>• Other technologies can be used to call the web service.</li> </ul>	Electronic interaction between the Exchange and SERFF is being investigated by NAIC and the States.  Systems should interact. Alternative processing means are also being investigated and planned.
<b>I-SITE</b>	The Internet State Interface Technology Enhancement System is an Internet browser-based version of the Common User Interface (CUI). I-SITE is used to obtain financial, market conduct and producer licensing information housed in the NAIC data tables. (look up tool)	An Internet browser-based interface	I-SITE in conjunction with Exchange administrative access could continue to be used for information look up.
<b>Sircon</b>	Sircon is a wholly owned subsidiary of Vertafore, Inc. The company offers a producer lifecycle platform as software-as-a-service (SaaS) to deliver information about licensing, recruiting, contracting, appointments, regulatory compliance, education tracking and producer management.  Minnesota uses Sircon for tracking producer licenses, complaints, and contact information. Some company license tracking is also done.	Suite of web-based services  Sircon for States is a hosted solution, which resides in two co-located secure data centers.	System interaction with the Sircon data is being investigated. Alternative processing means are also being investigated and planned.

Name	Description	Current Hardware/Software	Goals
<b>NIPR</b>	<p>The National Insurance Producer Registry (NIPR) is a non-profit affiliate of the National Association of Insurance Commissioners (NAIC).</p> <p>The system is a national repository for producer license information (Producer Database - PDB), along with an established network that facilitates the electronic exchange of producer information (NIPR Gateway).</p>	<p>The PDB is a database that is accessible to State regulators via the internet. Minnesota does not load data directly to the PDB, nor extract data from it directly. Data transfers are handled by SIRCON. State staff look up and review individual producer records in the PDB through an Internet browser and a link provided in the SIRCON application.</p> <p>The NIPR Gateway is a communication network that is programmed to interact with external systems via a Transaction Layout, but is not currently used.</p>	<p>Electronic interaction between the Exchange and NIPR is being investigated by NAIC and the States.</p> <p>Systems should interact. Alternative processing means are also being investigated and planned.</p> <p>The NIPR could be used for loading complaint data.</p>
<b>Manual</b>	<p>Some processing of Health Maintenance Organizations (HMO) information is done outside of electronic systems. Examples of these activities include application and renewal processing, complaint intake and investigation, financial report reviews, and NCQA/HEDIS measure processing. HMO quality exams are also performed in similar fashion in conjunction with interagency agreements.</p>	<p>Paper and single electronic files.</p>	<p>Forms and data for HMO information could be converted to electronic means and processing. This information could interact with the Exchange and other State systems via a State Hub.</p>
<b>Quality Measures</b>	<p>A standardized set of quality measures for health care providers across the State. A quality measure is an indicator that measures health outcomes, processes, patient experience, access or safety or other desirable results for a defined population of patients. For detail, see: <a href="http://www.health.state.mn.us/healthreform/measurement/index.html">http://www.health.state.mn.us/healthreform/measurement/index.html</a></p>	<p>The data collection and assimilation into usable data sets are conducted by both State and contracted vendors.</p>	<p>Data assimilation will continue outside of the Exchange with interaction via a State Hub or administrative access. Data outputs are intended to be fully integrated with the Exchange.</p>
<b>Provider Peer Grouping</b>	<p>A system comparing health care providers on a composite measure of risk-adjusted cost and quality. This peer grouping system includes a combined measure of cost and quality for a provider's patient population as a whole, and separately for select specific health conditions. For detail, see: <a href="http://www.health.state.mn.us/healthreform/peer/index.html">http://www.health.state.mn.us/healthreform/peer/index.html</a></p>	<p>The data collection and assimilation into usable data sets are conducted by both State and contracted vendors.</p>	<p>Data assimilation will continue outside of the Exchange with interaction via a State Hub or administrative access. Data outputs are intended to be fully integrated with the Exchange.</p>

## **D. Evaluation Plan**

Establishing processes and measures to monitor and evaluate progress and outcomes is essential to the success of developing an Exchange. Minnesota's Level-One application is focused on: Governance and Stakeholder Consultation; Program Integration and Business Operations; IT Infrastructure; and Financial Management, Program Integrity, and Financing Mechanisms; but Minnesota's plan for establishing processes and measures for evaluation will include all core areas for Exchange establishment. The evaluation plan includes an organizational structure, work plans, processes, and tools that will ensure that the project deliverables proposed under this Level-One application are met on time and on budget. Minnesota's specific evaluation plan proposed under this Level-One application includes:

- Key Indicators and Baseline Data
- Methods to Monitor and Evaluate Progress and Intervene When Timelines are Not Met
- Plans for Ongoing Evaluation of Exchange Functioning Once Operational

### **Key Indicators and Baseline Data**

The "Work Plan" section of this Level-One application identifies the key tasks and timelines for completion of milestones for each core area that have been completed or are in progress under the Planning Grant, that are proposed for this Level-One grant, and that are tentatively envisioned through 2014. These tasks and timelines for milestones in each core area are the key indicators to be measured under the evaluation plan. Full-time staff proposed for this Level-One application will develop more detailed work plans and milestones with associated tasks and timelines through 2014 for establishment and operation of an Exchange in Minnesota. As these detailed plans are developed and as results from Background Research activities that are in progress under the Planning Grant are completed, baseline data for key indicators will be specified as starting points for measuring and evaluating progress and operational outcomes. Baseline data for key indicators will be included and tracked in each quarterly grant report to HHS.

### **Methods to Monitor and Evaluate Progress and Intervene When Timelines are Not Met**

Two full-time staff are proposed under this Level-One application to lead overall and IT specific project management activities to ensure that project deliverables are completed on time, on budget, and within scope. The proposed Project Manager will be responsible for coordinating all work plans and timelines associated with the Exchange. The IT Project Director is responsible for working with contractors to develop work plans and budget estimates to implement the design and development of an IT integration architecture and associated requirements. Specifically, the IT Project Director is responsible for managing IT implementation timelines and compliance with HHS SDLC stage gate reviews. Both the Project Manager and the IT Project Director will be responsible for coordinating with the Departments of Commerce, Human Services, and Health.

Funding under this Level-One application is also requested for two full-time staff to coordinate commercial and public program Exchange operations with the Minnesota Departments of Commerce, Human Services, and Health. The Commercial Operations Director will serve as the liaison between the Exchange and the Minnesota Departments of Commerce and Health and will be responsible for coordinating work plans and monitoring progress on Exchange and commercial integration issues. The Public Programs Operations Director will serve as the liaison between the Exchange and the Minnesota Department of Human Services and will be responsible for coordinating work plans and monitoring progress on Exchange and public program integration issues. These two staff will monitor and evaluate progress on integration issues and deliverables to ensure interagency coordination with the Minnesota



Departments of Commerce, Human Services, and Health on work plans, timelines, identification of joint milestones running behind schedule, and mitigation strategies to address delays.

The Project Manager and IT Project Director will monitor progress towards milestones specified in the detailed work plans and meet weekly with Exchange staff, the Minnesota Departments of Commerce, Human Services, and Health and contractors to review progress and adjust timelines and work flows as necessary. In addition, the Project Manager and IT Project Director will be responsible for developing weekly project status reports for each core area. Contractors will also be responsible for submitting weekly status reports. The status reports will identify which milestones are on time and those that are running behind schedule. For milestones that are running behind, mitigation strategies will be identified by Exchange staff and contractors, with decisions made by appropriate Exchange staff and interagency partners from the Departments of Commerce, Human Services, and Health.

Progress on project deliverables and milestones will also be communicated with the Advisory Task Force proposed under this Level-One application. The Advisory Task Force is expected to meet on at least a monthly or more frequent basis to provide guidance on the development of a Minnesota Exchange. As part of this charge, the Advisory Task Force will monitor and evaluate progress and outcomes associated with project deliverables proposed under this Level-One application and provide guidance as necessary regarding mitigation strategies for milestones running behind schedule.

**Plans for Ongoing Evaluation of Exchange Functioning Once Operational**

Operational evaluation plans will be included as part of the development of detailed work plans by the full-time staff proposed for this Level-One application. The operational evaluation components of the detailed work plans will include processes, measures, data sources, and performance targets to monitor and evaluate functions once the Exchange is operational. Progress on the development of detailed work plans and operational evaluation components will be included in quarterly grant reports to HHS.