

**Office of Consumer Information and Insurance Oversight**  
**Quarterly Report: Performance Progress Report**  
**Indiana Insurance Market, Level One Solicitation**

**State:** Indiana

**Project Quarter Reporting Period:** Grant Quarter 2 (10/1/2011-12/31/2012)

**Award number:** 1 HBEIE110065-01-00

**Date submitted:** 1/30/2012

*Core Areas*

**Background Research**

- What are the primary strategies your program has used to approach this core area?  
Indiana completed the milestones associated with background research as a part of the Exchange planning grant, and therefore, Indiana did not apply for any funding related to background research. During the planning grant period, Indiana hired Milliman and SHADAC to complete a number of assessments on the current insurance market, all of which can be found on the “Resources” page on [Nationalhealthcare.in.gov](http://Nationalhealthcare.in.gov).
- What are some of your program’s significant accomplishments in this core area?  
Please see the planning grant quarterly reports for additional information related to the accomplishments during that grant period. The quarterly reports are also posted on [Nationalhealthcare.in.gov](http://Nationalhealthcare.in.gov).
- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A.

**Stakeholder Research**

- What are the primary strategies your program has used to approach this core area?  
As noted in the Indiana grant application, stakeholder consultation is an ongoing component of Indiana’s planning for an Exchange, should a state-based Exchange be established. During the Exchange planning grant period, dozens of individual meetings were held, testimony was given at various hearings and two stakeholder Questionnaires were completed, which became models for other states. During the Exchange Level One grant period, Indiana’s primary strategy for the stakeholder outreach has been and continues to be targeted meetings with small groups of individuals. We believe this format allows individuals to be more candid in their dialogue with the State, and has proved to be a valuable tool as policies have been considered. Numerous public presentations have also been given to the General Assembly and at Healthcare Reform conferences. Meeting requests from stakeholders are always accepted.
- What are some of your program’s significant accomplishments in this core area?  
  
Completed stakeholder meetings over during quarter two include: Delta Dental, Indiana Association of Health Plans, the Community Mental Health Council, Fresenius Medical Care, and Trinity Health and Hospitals. Testimony was provided on the status of Healthcare Exchange planning in the Indiana General Assembly’s Health Finance Commission in October; this testimony was broadcast over the internet via the General Assembly’s website. On November 16<sup>th</sup>, 2011, in conjunction with the Indiana Department of Insurance, a questionnaire was distributed to Indiana insurance carriers that posed eleven (11) questions on individual Exchange topics and three (3) questions on SHOP Exchange. This questionnaire covered Exchange topics including Exchange funding, functions, quality metrics, risk mitigation, and premium collection. Indiana received responses from eight (8) insurance carriers with five being considered large carriers and three being considered small carriers; carrier feedback on this questionnaire will be used to inform Exchange design options.

Indiana also continues to operate the website [Nationalhealthcare.in.gov](http://Nationalhealthcare.in.gov) and individuals can request the updates be emailed to them when new information is posted to the website. The website is the central source for information relevant to the State’s

health care reform activities and deliverables completed under the Exchange grants. Posted items include questionnaires, research data and data analysis summaries, whitepapers, press releases, presentations, federal correspondence, implementation progress updates, and other key documentation. Individuals can also email the healthcare reform team at [feedback@nationalhealthcare.in.gov](mailto:feedback@nationalhealthcare.in.gov). The email inbox is checked daily.

- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A

### **Legislative/Regulatory Action**

- What are the primary strategies your program has used to approach this core area?  
The key strategy for this area has remained the same for grant quarter two and has been to promptly and thoroughly review all proposed regulations, guidance or bulletins released in regards to the Exchanges. An interagency group was convened with the Department of Insurance, the Division of Family Resources (responsible for eligibility) and the Office of Medicaid Policy and Planning, and individuals participate in the review of federal guidance as applicable to their work. Additionally, the State of Indiana contracted with a law firm to receive assistance with regulatory and legislative action. The other primary strategy for this area has been to identify legislative and regulatory needs should Indiana decide to establish an Exchange, and have necessary guidance documented should it be needed. The administration is not pursuing any Exchange related legislation during the 2012 session of the Indiana General Assembly.
- What are some of your program's significant accomplishments in this core area?  
Throughout quarter two, the law firm has continued to meet with State resources to define areas where authority may need to be given for Exchange functions or functions delegated to State agencies via an MOU to perform activities on behalf of an Exchange. The State logs questions and ideas during policy, stakeholder and business requirements meetings and then meets with the attorneys to discuss these items. The State has also reviewed federal guidance released during quarter two. At the end of October, staff submitted comments on the July and August Notices of Proposed Rule Making (NPRMs) regarding risk adjustment, risk corridors, reinsurance, standards for Exchanges, Modified Adjusted Gross Income and eligibility. The State also reviewed the November 29, 2012 Q&A on Exchange establishment, the proposed Exchange certification application and the essential health benefits bulletin. Any comments submitted to HHS are available on the website.
- What are some of the significant barriers your program has encountered? The most significant barrier in this area has been the lack of federal guidance; the State still awaits proposed rules on program integrity notice requirements and quality metrics, as well as final regulations for MAGI, eligibility and risk adjustment and research. Without final guidance, it is difficult to prepare appropriately as the timeline continues to condense. The other barrier is the lack of a legal decision on the individual mandate; a Supreme Court decision is needed.
- What strategies has your program employed to deal with these barriers? Indiana has encouraged prompt response from the federal government in the comments offered to the NRPMs.

### **Governance**

- What are the primary strategies your program has used to approach this core area?  
While Indiana has not committed to establishing an Exchange, the Governor issued an Executive Order that permits the State to conditionally establish an Exchange as a not-for-profit. The Executive Order states that this was due to the limited federal guidance on exchanges or a federal exchange, Indiana's belief in protecting Hoosiers from undue federal regulation, and to maintain a free market. The Executive Order allows the State to move forward with planning, but no commitment has been made to formally establish an Exchange.
- What are some of your program's significant accomplishments in this core area?  
The legal team has continued to provide support as questions have arisen as related to the governance of a potential Exchange. Issues have been logged for incorporation into the MOUs. Should Indiana move forward, the State will need to revise and finalize bylaws and articles of incorporation.

- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A.

### Exchange IT Systems

- What are the primary strategies your program has used to approach this core area?  
This has been an area of significant focus during the last quarter, as draft business requirements were finished. Indiana's primary strategy has been to develop the business requirements so that our team can have a thorough understanding of the operational needs of the Exchange. Indiana has surveyed the vendor community for the types of solutions available, should an Exchange be established. The Exchange project does create challenges with respect to Indiana's existing technology infrastructure. Both the Medicaid Management Information System (MMIS) and eligibility systems are around 20 years old. The new requirements of ACA, including the Exchange requirements, have created a challenging IT environment. A risk was identified early on in the Exchange assessment relating to the overall readiness of the State's suite of technology, including hardware and applications, which could be used to support an Exchange. For this reason, the staff members have approached the project knowing that regardless if an Exchange is established, other IT system replacements will be taking place in the next five years.

While working over the past several months to provide a solid base for lacking federal guidance with respect to federal data services hub protocols, services, and standards we have continued to review relevant and appropriate similar and expected to be foundational architect guidelines such as the CMS three tier architect and TRA documents. Additionally, alignment with the MITA architecture as well as other security standards used within CMS has been evaluated even though guidance has been absent. Indiana continues its strategy to survey the vendor community for the types of solutions available while actively determining the needs of the State of Indiana for an Exchange, should it be established. Staff continues to assess ways of leveraging and incorporating current functions available at the State, as well as existing procurements on the street into a modular and dynamic approach to, should the state decide to pursue one, exchange development. A risk identified early on in the Exchange assessment means that in the event an Exchange is established, other IT system replacements will be taking place in the next five years regardless of the states exchange decision.

- What are some of your program's significant accomplishments in this core area?  
In quarter two, the State participated in several additional unsolicited vendor demos and IT and program staff have been in attendance for these meetings. The Exchange technical team worked with the technical requirements vendor for the Exchange project through the completion of the requirements and alignment to business requirements. A draft RFP was developed; should the State decide to pursue procuring an Exchange, it will have the RFP available as a resource. Continued participation with other states in staying abreast of their approaches and collaboration with our project officer has been a cornerstone of our approach. The team remains aware of the information being posted to the CALT. Other deliverables completed during quarter four include a technical gap and security document and finalizing the market summary report. The IT team continued work on a second RFI to survey the vendor community in early 2012 regarding some more detailed information on business models, State/vendor relationship models and Exchange start-up financing. The IT team continues to meet with key leadership at FSSA and IDOI on a weekly basis.
- What are some of the significant barriers your program has encountered?
- The most significant barrier has been the absence of necessary federal guidance related to the Exchanges. Specifically, detailed protocol, expected Exchange transfer documentation, any known way to interoperate with the federal data hub and any specific requirements around security must be released immediately, if these items are expected to be incorporated into any solutions.
- What strategies has your program employed to deal with these barriers?  
Indiana has continued to encourage the release of the aforementioned materials, and will be visiting with federal officials in during a site visit in quarter three.

## Program Integration

- What are the primary strategies your program has used to approach this core area?  
As noted in Indiana's grant application, since the beginning of the planning process, Indiana has been dedicated to ensuring that all State agency stakeholders who own resources or processes necessary to the Exchange are engaged and involved in the potential development on an Exchange. This strategy has continued throughout quarter two. The Department of Insurance and the Family and Social Services Administration, which oversees eligibility and the Indiana Medicaid program, communicate daily and hold regular collaborative meetings on the Exchange design options. Throughout the process of Exchange research, the healthcare reform team is working to identify challenges posed by program integration and working to develop strategies for mitigating these issues.
- What are some of your program's significant accomplishments in this core area?  
During quarter two, high-level and detailed business requirements, process flows, a cost model and operating manuals were completed for a potential Exchange. A series of intensive meetings were staffed by the Department of Insurance and the Family and Social Services Administration, as well as members of the IT team in order to complete this massive undertaking. From beginning to end, the development of these deliverables was a collaborative process, and if an Exchange were established, these documents set forth a system with leverages the expertise and systems of both agencies.  
  
A weekly IT meeting with representatives from both agencies continues to be held, and a weekly insurance-specific meeting was started. The Medicaid team meets on a biweekly basis, and executive team meetings are held as needed. A policy team meets frequently and reviews federal guidance, stakeholder feedback and other important items. The review of all proposed regulations and guidance is a collaborative process with all internal stakeholders contributing to the evaluation and discussion.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A.

## Financial Management

- What are the primary strategies your program has used to approach this core area?  
As noted in the grant application, to develop the financial management structure and accounting systems for the Exchange, Indiana will seek aid from outside consultants, including experienced accountants. Once all Exchange design decisions that could impact the financial management structure are finalized, the HCR team will work to develop the financial management structure and accounting systems of the Exchange. Work in this area has not started. The other strategy in this core area has been to develop a thorough cost model based upon the business requirements. Risk adjustment and reinsurance related activity under this grant is detailed in its own section of this document.
- What are some of your program's significant accomplishments in this core area?  
The State has not contracted with a financial management vendor yet. The cost operating model was completed during quarter two, and is in a format where the State can adjust the assumptions based upon policy decisions, additional federal guidance or other changes to the business model. Staff from FSSA, the IDOI and IT business units were involved in the creation of the assumptions. The cost model for a fully state-based Exchange ties directly to the business requirements and process models. The current cost model predicts the cost to establish and operate an Exchange in 2015 is the following: \$2-3M (federal Exchange), \$8-12M (state Exchange with federal government operating the premium tax credit program, and \$58-84M (fully state-based Exchange).
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A.

## Oversight & Program Integrity

- What are the primary strategies your program has used to approach this core area?  
In regards to the program integrity and oversight of the grant project, dedication of attention has been given to monitoring the flow of the funding and the quality of the products produced by vendors prior to payment. The strategy has been to track the performance of individuals and/or vendors staffing the grant and the payments associated with their work. The State has managed the flow of funding for the Exchange grant and addressed the financial integrity, and prevention of fraud, waste, and

abuse as it relates to the Exchange grant. Contractual issues have been monitored and addressed, and adherence to the budget and to performance metrics has also been monitored. Timely billing, in accordance with contract terms, has been enforced.

- What are some of your program's significant accomplishments in this core area?  
Monthly dashboards were prepared again prepared during quarter two to report on contract performance and on all expenditures billed to and paid for by the grant. Once a month, the all Exchange meeting is still held where an individual from each project area and/or each vendor reports on the work completed during that month. At this time, a small group of staff also still meets monthly to discuss the performance of each of the vendors within the last month. These issues are logged and presented on the monthly performance and payment dashboard. These reports are then shared with the senior leadership.
- What are some of the significant barriers your program has encountered?  
The Exchange Program Integrity proposed rules have not been released by the federal government, and this guidance would be helpful to the State. Indiana encourages the HHS to release this guidance as soon as possible.
- What strategies has your program employed to deal with these barriers? Indiana has encouraged the prompt release of all federal Exchange regulations and guidance.

### **Health Insurance Market Reform**

- What are the primary strategies your program has used to approach this core area?
- The strategy for this core area is to look at the Exchange insurance market reforms in the larger picture of the many insurance market changes required by the Affordable Care Act: Medical Loss Ratio, Risk Adjustment, Reinsurance, Rate Review and External Review. Risk adjustment and reinsurance research is funded by this grant and the preliminary work is detailed in the appropriate Business Function section of this report. Much of the other insurance market reform work handled at the Department of Insurance is funded by other sources such as the Rate Review Grant, etc. Some of the other insurance market reforms that have been addressed during the grant period but not funded by this grant include: Indiana's MLR application, application and receipt of the Rate Review Grant Cycle II and an external review appeal.
- What are some of your program's significant accomplishments in this core area?  
Consideration of an Exchange's effects on the insurance market was given significant attention in the development of the business requirements and the review of the regulations issued by the federal government. This is an on-going effort.
- What are some of the significant barriers your program has encountered?  
No particular barriers have been logged. The State responded to the risk adjustment and reinsurance Notice of Proposed Rulemaking, and encourages CMS to release final rules as soon as possible as they are essential to states' planning.
- What strategies has your program employed to deal with these barriers? N/A.

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

- What are the primary strategies your program has used to approach this core area?  
This area has largely been addressed through the development of draft business requirements, which will be addressed in each of the milestones. The State has inventoried its current systems in place to address individual and small business coverage appeals and complaints. The IDOI and the FSSA's Office of the Medicaid Policy and Planning (OMPP) and DFR (Division of Family Resources) have existing efforts to aid consumers. FSSA handles eligibility appeals as well as other complaints about Medicaid plans. IDOI currently handles customer complaints regarding insurance. These efforts are being coordinated across the agencies to provide a seamless system to handle customers' needs and grievances, should an Exchange be established.
- What are some of your program's significant accomplishments in this core area?  
The most significant accomplishment in quarter two was the completion of the high-level and detailed business requirements, process flows and operating manuals for a state-operated Exchange option. Technical requirements were also completed. Assistance to individuals and businesses, the handling of consumer complaints and the support of appeals have all been areas addressed in the future state process models and business requirements. More information is available in the business function sections.

- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A.

## ***Business Processes***

### **Certification of Qualified Health Plans**

- What are the primary strategies your program has used to approach this core area?  
Through the development of the business requirements and detailed procedures for a state-operated Exchange option, it was decided to leverage the existing functions and expertise at the Indiana Department of Insurance, should an Exchange be developed. The IDOI currently handles all rate filings, and it is anticipated the IDOI would be responsible for Qualified Health Plan certification process. IDOI uses the NAIC system, System for Electronic Rate and Forum Filing (SERFF), to handle rate filings currently, and the team is looking at using this system going forward such that carriers will not have to submit duplicative information to the IDOI and to an Exchange, should it be established.
- What are some of your program’s significant accomplishments in this core area?  
The most significant accomplishment has been the completion of the draft high-level and detailed business requirements, process flows, a cost model and operations manuals for a state-operated Exchange option. Technical requirements were also completed. During quarter two, staff attending the NAIC Health Insurance Exchange Plan Management Forum and discussed modifications to SERFF to be able to better utilize it in an Exchange environment. Finally, Indiana submitted comment in October regarding the proposed Exchange rules, and has been attending the CCIIO Plan Management workgroup phone calls. The IDOI participates in all NAIC sponsored calls.
- What are some of the significant barriers your program has encountered? Final guidance on the plan management functions of an Exchange are need as soon as possible.
- What strategies has your program employed to deal with these barriers? Indiana has encouraged CMS to promptly issue final rules.

### **Call center and in-person assistance**

- What are the primary strategies your program has used to approach this core area?  
The primary strategy in this area has been to leverage the expertise currently available in the State agencies to develop the policies and procedures needed for the detailed processes and business requirements for a state-operated Exchange option, should an Exchange be established by Indiana. The State completed an inventory of all our call centers and the issues with which they deal, and has been discussing how current State call centers could be used for an Exchange, should a state-based Exchange be established.
- What are some of your program’s significant accomplishments in this core area?  
As noted in the other sections of this report, a key accomplishment has been the completion of draft detailed processes and business requirements, an operating cost model, process flows and operations manuals for a state-operated Exchange option. The other accomplishment has been discussion in the weekly IT meetings regarding “No Wrong Door” and the potential for leveraging current State call center functions, if an Exchange is developed. We have also assessed the different technology being used by each call center to assure that in the future these systems can be linked.
- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A.

### **Exchange website and calculator**

- What are the primary strategies your program has used to approach this core area?  
Current expertise, along with that provided by the vendors who have been contracted for the project, was leveraged to develop draft detailed processes and business requirements for an Exchange website and calculator under a state-operated Exchange option.

- What are some of your program’s significant accomplishments in this core area?  
The completion of the draft business requirements, process flows, operational models and the technical requirements for a state-operated Exchange option was a significant undertaking and accomplishment in this milestone area.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A.

### **Quality Rating System**

- What are the primary strategies your program has used to approach this core area?  
Indiana has approached this area with particular attention to what quality information is currently available, how it can be leveraged for an Exchange and what the cost associated with providing the information would be. While HHS will define the required quality metrics for carriers, Indiana is exploring what could be made available with regards to individual providers. The State hired the Indiana Health Information Exchange, through a competitive bid to conduct a feasibility study of the mechanics behind providing both carrier and provider level quality data.
- What are some of your program’s significant accomplishments in this core area?  
During quarter two a draft a draft baseline study, a feasibility study and a quality plan, as related to offering provider quality information on an Exchange, was completed and is under review. Final deliverables are anticipated to be completed in quarter three. As part of the three deliverables, the vendor reached out to various stakeholders to glean what these individuals/groups would like to see in regards to quality data and an Exchange.
- What are some of the significant barriers your program has encountered? The federal government has not defined the quality metrics required by the Affordable Care Act. Proposed rules and guidance are immediately needed, and final rules will need to be turned around as soon as possible.
- What strategies has your program employed to deal with these barriers? Indiana continues to urge the federal government to provide all the necessary guidance to plan and prepare for late 2013 implementation of Exchanges.

### **Navigator**

- What are the primary strategies your program has used to approach this core area?  
Indiana continues to seek to leverage the expertise currently available within the State. The Division of Family Resources contracts with entities who act as “enrollment centers” to help individuals enroll in public assistance programs. The Department of Insurance’s SHIP program helps individuals enroll in Medicare. Expertise from both of these programs has been leveraged to develop the current proposal and accompanying business process flows. During quarter one, the State did meet with the broker community.
- What are some of your program’s significant accomplishments in this core area?  
As noted in the other sections, draft detailed process flows, business requirements, a cost model and operations manuals were completed for a state-operated Exchange option. Technical requirements for a state-operated Exchange option were also completed during quarter two.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A

### **Eligibility Determination**

- What are the primary strategies your program has used to approach this core area?  
The strategy for developing the requirements related to this milestone has been to leverage and build upon the functions that already exist in the State, which is primarily the eligibility determination for Medicaid that currently takes place within FSSA’s Division of Family Resource (DFR). Indiana has also evaluated the cost of performing the eligibility determinations.

- What are some of your program's significant accomplishments in this core area?  
The eligibility determination draft business process, detailed business requirements, a cost model and operations manuals have been completed for this business function area for a state-operated Exchange option. The cost model clearly shows performing the eligibility determinations for the premium tax credits is one of the most costly operations of a potential Exchange. The State also reviewed the November 28, 2011 Question and Answer document, which allows states to cede the PTC program to HHS. As a separate, but relatable project, the State is reviewing the current Medicaid eligibility categories and the impact of the proposed regulations on policy and procedure.
- What are some of the significant barriers your program has encountered?  
Final regulations for premium tax credit eligibility are necessary if the states are to proceed in a timely and adequate manner. The State also again requests that CMS coordinate with FNS as there are many states that currently operate combined eligibility systems that will be leveraged for Exchange functions. Additional information on how the premium tax eligibility will be conducted by the federal government, and how that would be linked to Medicaid is also critical information that States need, regardless of whether a State pursues an Exchange.
- What strategies has your program employed to deal with these barriers? The State created and submitted a response to the eligibility NPRMs, and in numerous meetings, calls and reports has expressed the need for FNS coordination. In addition, Indiana has participated on CCIIO and CMS calls and to ask clarifying questions.

### **Enrollment Process**

- What are the primary strategies your program has used to approach this core area?  
The expertise of the Indiana Department of Insurance has been leveraged to develop processes for enrolling individuals in Qualified Health Plans, and similarly, the expertise of FSSA has been leveraged to develop the processes for enrolling individuals in Medicaid via the Exchange.
- What are some of your program's significant accomplishments in this core area?  
As noted in the other core function areas, Indiana has completed draft detailed business processes models for QHP and Medicaid enrollment, business requirements, a cost model, operations manuals and technical requirements for a state-operated Exchange option.
- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A

### **Applications and Notices**

- What are the primary strategies your program has used to approach this core area?  
The strategy has been to leverage the years of experience gleaned through currently operated programs. FSSA input was crucial to discussions surrounding applications and notices. Business process models were developed indicating where the proposed regulations required notices.
- What are some of your program's significant accomplishments in this core area?  
The significant accomplishment in this area has been to complete the draft detailed business process models, the cost model, the business requirements, operations manuals and technical requirements for a state-operated Exchange option. All notices generated would include the standardized Exchange format defined in the proposed rule. We have also reviewed and commented on the NPRM which contained some information on notices, though additional guidance has been promised.
- What are some of the significant barriers your program has encountered?  
The most significant barriers continue to be the lack of federal guidance. The proposed rules state the guidance on notices is forthcoming, and Indiana encourages the federal government to release this guidance as soon as possible, as it is important to consider in system development as well as calculation of cost to operate an Exchange. Additionally, further guidance



regarding the single application is needed for states that currently combine their Medicaid applications with SNAP and TANF; Indiana again encourages the HHS to work with FNS on the development of this guidance.

- What strategies has your program employed to deal with these barriers? Indiana has responded to the notices of proposed rule-making.

### **Exemptions from Individual Mandate**

- What are the primary strategies your program has used to approach this core area?  
Indiana has carefully considered the cost of performing the individual mandate exemptions in the consideration of this milestone. Given that Exchanges must be self-sustaining in 2015, this is of great importance to the State, should an Exchange be established by Indiana.
- What are some of your program's significant accomplishments in this core area?  
The significant milestone in this area has been the development of draft detailed business process models outlining the individual mandate process function for a state-operated Exchange option. These outline how an Exchange would fulfill its responsibility of notifying the individual and Federal Agencies of the determination results. Detailed business requirements, operations manuals and technical requirements were also completed for their area for a state-operated Exchange option. The State also provided comment on the NPRM and prefers that this function be performed by the federal government.
- What are some of the significant barriers your program has encountered? Indiana anxiously awaits a Supreme Court decision, and the ambiguity in the meantime, has been the most significant barrier.
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- What strategies has your program employed to deal with these barriers? The State has planned appropriately, should an Exchange be established.

### **Premium Tax Credit and Cost Sharing Reduction Administration**

- What are the primary strategies your program has used to approach this core area? Please see the response to the eligibility milestone for information on the determination of premium tax credits.
- What are some of your program's significant accomplishments in this core area? Please see the response to the eligibility milestone for information on the determination of premium tax credits.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A

### **Appeals**

- What are the primary strategies your program has used to approach this core area?  
The primary strategy in this area has been to leverage the current expertise at FSSA and IDOI to develop appeals processes for (1) carriers who disagree with decisions made about a plan and for (2) users of an Exchange regarding their eligibility determinations.
- What are some of your program's significant accomplishments in this core area?  
The most significant accomplishment in this area again has also been the completion of the draft process flows, detailed business requirements, operations manuals, a cost model and technical requirements for a state-operated Exchange option.
- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A.

### **Notice and Appeals of employer liability**

- What are the primary strategies your program has used to approach this core area?

Indiana has leveraged the expertise currently present within its state agencies to develop the details surrounding the milestones.

- What are some of your program's significant accomplishments in this core area?
- The most significant accomplishment in this area has also been the completion of the draft process flows, detailed business requirements, operations manuals, a cost model and technical requirements for a state-operated Exchange option.
- What are some of the significant barriers your program has encountered? N/A.
- What strategies has your program employed to deal with these barriers? N/A.

#### **Information reporting to IRS and enrollees**

- What are the primary strategies your program has used to approach this core area?  
The strategy in this area has been to meet the expectations of the federal government, while keeping costs low given that the Exchange will have to be self-sustaining in 2015. Current expertise on federal reporting was leveraged to develop the detailed processes and business requirements for a state-operated Exchange option.
- What are some of your program's significant accomplishments in this core area?  
The most significant accomplishment in this area again has also been the completion of the process flows, detailed business requirements, operations manuals, a cost model and technical requirements for a state-operated Exchange option. Reflected in these models and requirements for an Exchange, if established, is the ability to extract defined data elements and consolidate them into reports meeting reporting standards defined in the ACA.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A

#### **Outreach and education**

- What are the primary strategies your program has used to approach this core area?  
Leveraging current expertise to develop the detailed processes and business requirements for a state-operated Exchange option has been a key strategy for Indiana. Many of the details for outreach and education are yet to be developed, should Indiana establish an Exchange. Developing a plan for outreach is part of the 2012 grant agenda.
- What are some of your program's significant accomplishments in this core area?  
Preliminary discussions regarding outreach and education, particularly as it relates to the Navigator function. As needed, information regarding outreach and marketing was included in the process flows.
- What are some of the significant barriers your program has encountered? N/A
- What strategies has your program employed to deal with these barriers? N/A.

#### **Risk adjustment and reinsurance**

- What are the primary strategies your program has used to approach this core area?  
The strategy in this program area has been to review the regulations as released and provide thorough feedback to the federal government, as well as leverage expertise within FSSA and IDOI. Particular attention is being paid to the cost of administering the programs, as well as how they align with the current and future functions expected of Indiana's Department of Insurance.
- What are some of your program's significant accomplishments in this core area?  
The Indiana team has reviewed the risk adjustment and reinsurance proposed rules, and submitted feedback to the federal government. Indiana's current actuary has been leveraged to assist with the review and evaluation of these PPACA-mandated programs and create a work plan for items that will need to be completed prior to 2014. Additionally, draft detailed business process models based on the information provided in the proposed regulations for a state-operated Exchange option were

developed. Recently, an existing actuarial project was expanded to provide the State with guidance on developing the risk adjustment and reinsurance programs should the state move forward with an Exchange. We are also evaluating the merits of continuing the current small group reinsurance pool that exists in Indiana and how it could be leveraged moving forward.

- What are some of the significant barriers your program has encountered? Final rules regarding risk adjustment and reinsurance are crucial, and Indiana encourages the federal government to release these as soon as possible. Providing clarity and flexibility to states when these regulations are released is imperative, and Indiana also would like clarification regarding whether or not an all-payer claims data warehouse will be needed for risk adjustment.
- What strategies has your program employed to deal with these barriers? Indiana has been participating on the CCIIO risk adjustment and reinsurance user group calls.

### **SHOP Functions**

- What are the primary strategies your program has used to approach this core area?  
Indiana has spent considerable time evaluating the policies surrounding the SHOP, as proposed by the Affordable Care Act. Assessments and the questionnaires conducted during the planning grant period, helped the State to anticipate how many businesses and employees may use the SHOP. Indiana's strategy has been to develop policy for a potential state-based SHOP that leverages the current strengths of Indiana's robust small group market, particularly the strong network of brokers.
- What are some of your program's significant accomplishments in this core area?  
A significant milestone during quarter two has been to complete the draft detailed business process models, business requirements, operating manuals, cost models and technical requirements for this area for a state-operated Exchange option.
- What are some of the significant barriers your program has encountered? It is not believed that an Indiana SHOP Exchange will have robust participation, based upon the number of small employers that may choose to drop insurance and the availability of small group policies on the outside market. The challenge has been to design a potential SHOP Exchange that is affordable, given the anticipated usage of the function. Additionally, final federal guidance on the SHOP is needed as soon as possible.
- What strategies has your program employed to deal with these barriers? The policy team has worked and reworked policies and ideas in order to create a proposal for the SHOP that assists Hoosier businesses while attempting to keep the operating costs low. Indiana has also prepared a response to the NPRMs.