



State of the States— Health Insurance Exchanges

An MLA National Government Affairs Advisory

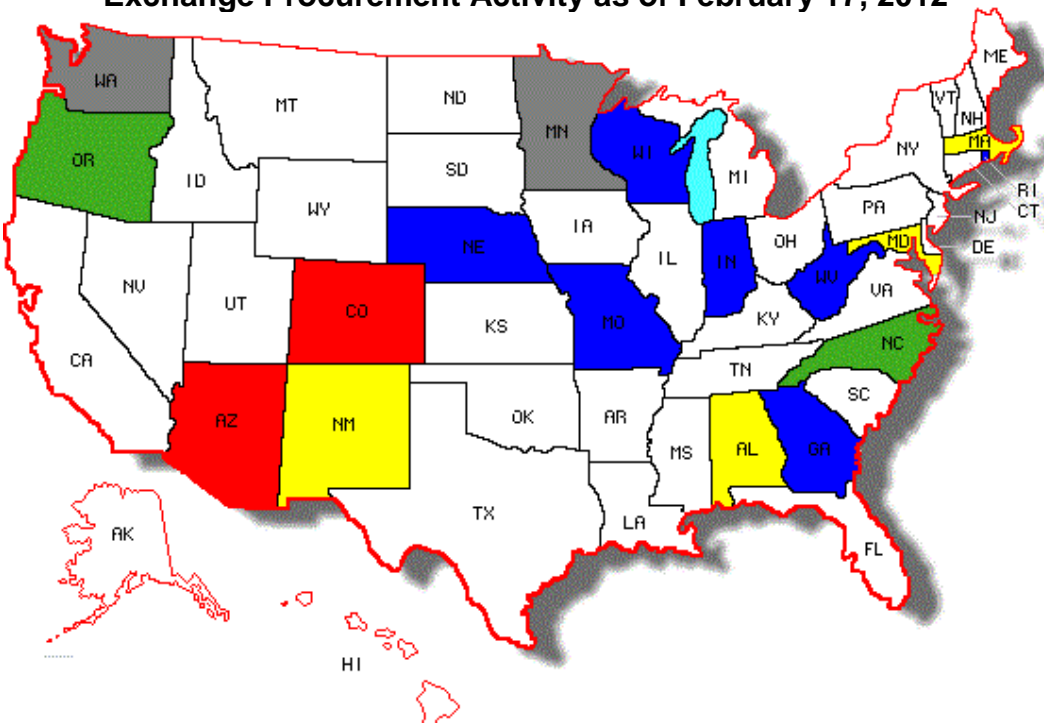
FEBRUARY 17, 2012

This Week in the States. Today we check back in on where states stand in procuring the IT systems they will need to operate ACA-compliant exchanges.

By the close of last year, a handful of states (Arizona, Colorado, Georgia, Indiana, Nebraska, Missouri, Rhode Island, West Virginia and Wisconsin) had begun formally surveying their IT options via Requests for Information. Subsequently, Arizona, Colorado, and Rhode Island have moved forward to the RFP stage, with West Virginia likely to do so shortly. Indiana, meanwhile, has released its second RFI, and is likely to stay on the RFP sidelines until after the Supreme Court rules on the ACA’s constitutionality. The rest of the RFlers, including Georgia Nebraska, and Missouri look equally unlikely to move until the ruling, if at all. Most surprisingly, Wisconsin returned its \$38 million Early Innovator grant and is halting any work on an exchange for the foreseeable future.

Several states made the leap directly to RFP last year as well. These include Alabama (eligibility system with planned exchange link), Maryland, Massachusetts, Minnesota, Mississippi, Nevada, New York and Washington. New Mexico joined the group in early February with its own exchange RFP. Thus far, Deloitte has won the Washington contract, while Minnesota has given a small group of firms a stipend to develop models from which they will choose the component parts of an exchange. Awards are expected soon in the remaining states.

Exchange Procurement Activity as of February 17, 2012



QUICK LOOK

Exchange Bill/ Executive Order Status

(as of February 17, 2012)

State-run exchange operating (pre-PPACA):	MA, UT
Exchange established by law (post-PPACA):	CA, CO, CT, HI, MD, NV, OR, VT, WA, WV
New exchange bill filed for 2012 session:	GA, FL, IA, ID, MD, MO, NE, NJ, NM, OH, VA, VT, WA, WI
Exchange established by executive order/action:	IN*, MS, RI
Exchange analysis/ planning law passed (2011):	IL, ME, ND, VA, WY
In committee (2012):	AK, FL, GA, IA, ID, MI, MN, NC, NH, NJ, NM, NY, OH, OK, PA, RI, SC, VA, VT, WA, WI
Dead for 2011 (No carryover/ No exchange bill filed 2012):	AK, AL, AR, AZ, IN, MO, MS, MT, SD, TX
No exchange legislation filed (2011-2012):	DE, KS, KY, LA, TN

*Indiana’s exchange is provisional at this point.

SUMMARY OF EXCHANGE PROCUREMENT ACTIVITY AS OF FEBRUARY 17, 2012

Requests for Information

STATE	STATUS	ISSUING AGENCY	TIMELINE	BRIEF SUMMARY	NOTES
AZ	Request for Information (RFI)	Arizona Health Care Cost Containment System (Medicaid)	POSTED: 8.15.11 RESPONSES DUE: 9.6.11	Solicited Exchange IT solutions stressing connectivity to existing eligibility and enrollment system of AZ Health Care Cost Containment System (Medicaid).	The state's subsequent Level One Establishment grant application (for which they were awarded \$30 million in Exchange funding by the federal government) reiterates the theme of full integration between the Exchange IT system and Arizona's existing Medicaid web-based eligibility and enrollment system. The state is planning to issue an RFP for development, design and maintenance of the Exchange website in March/ April 2012.
CO	Request for Information	Colorado Health Benefit Exchange	Rolling Demos by Vendors through Fall 2011	Colorado's exchange board has issued an RFI to solicit possible solutions for an end-to-end exchange model. The following vendors responded and were brought in to demonstrate: ACS/Choice/Benefitfocus; Connecture/MAXIMUS ;CGI; Getinsured.com; Benefitsmall; Ceridian; eHealth	The state has indicated that they intend to issue an RFP on January 23, 2011, with proposals due by February 27 and a vendor chosen by May 4.
GA	Request for Information (RFI)	Georgia Technology Authority	POSTED: 1.6.11 RESPONSES DUE: 2.8.11	Solicited technical and functional information about how Exchanges might work. Received submissions from 20 vendors/consultants, with follow-up presentations from select vendors.	Despite having issued this RFI, Georgia appears unlikely to move on establishment of a state-run, ACA-compliant Exchange any time soon--and likely not at all. However, the planning process generated significant interest in the potential development of a (small) business-centered exchange, a development worth monitoring.

IN1	Request for Information (RFI)	Indiana Family and Social Services Administration	POSTED: 7.15.11 RESPONSES DUE: 8.1.11	Solicited information from potential vendors who could provide products or services related to a HIX system. Seeking insight into and recommendations on the solutions that have been and are being developed in this area.	Indiana has established the Indiana Insurance Market, Inc via executive order, although it is expressly described as a provisional measure pending a future decision on whether the state would operate an Exchange. The state has also received nearly \$8 million in federal Exchange funds. They are in the process of analyzing IT needs based on business process requirements for an exchange.
IN2	Request for Information (RFI)	Indiana Family and Social Services Administration	POSTED: 2.1.12 RESPONSES DUE: 2.24.12	Continuing with its due diligence despite uncertainty about whether it will establish its own exchange, the state released its second Request for Information (RFI) for exchange IT vendors. The RFI asks that vendors provide information on how their solutions would fit into one or more of four “categories” of exchange operational models—ranging from an exchange hosted by a vendor, to one with “software as a service” to one of two different “systems integrator” models. This latest solicitation follows one it issued on July 15th, 2011 seeking ideas and best practices for developing a health insurance exchange.	In each of the two RFIs issued so far the state makes clear that, although Governor Mitch Daniels signed an executive order in January 2011 establishing the "Indiana Insurance Market, Inc," the decision to operate a state-based exchange remains an open one.
MO	Request for Information (RFI)	Missouri Health Insurance Pool	POSTED: 8.19.11 RESPONSES DUE: 9.16.11	Solicited information on component solutions and services for establishment of an insurance Exchange and upgrading of Medicaid eligibility and enrollment systems. Select responders were invited to demonstrate their solutions in late October.	Missouri has done extensive work on Exchange planning and systems analysis, including the information gathered via this RFI. However, Republicans in the state Senate have pushed back hard against this activity, and the Missouri Health Insurance Pool's receipt of more than \$21 million of federal planning dollars to do so. In response, state Senator Rob Schaaf has pre-filed a bill (SB 464) for the 2012 legislative session that would put a measure on the November 2012 ballot to prohibit establishment an ACA-compliant health insurance Exchange without passage of legislation or a referendum authorizing the state to do so.

NE	Request for Information (RFI)	Nebraska Department of Insurance	POSTED: 5.18.11 RESPONSES DUE: 8.1.11	Solicited information to perform a cost analysis regarding available third- party IT platforms and/or turn-key solutions, components and services related to Health Insurance Exchanges.	Nebraska Governor Dave Heineman has maintained that he will not act on establishing an Exchange until the Supreme Court rules on the constitutionality of the ACA. Still, they have drawn down both the \$1 million Planning and Establishment grants almost all states received as well as a more recent \$5.5 million Level One Establishment grant.
RI	Request for Information (RFI)	Office of the Health Insurance Commissioner	POSTED: 12.30.11 RESPONSES DUE: 1.17.12	This RFI sought information from vendors on how they would structure and implement a SHOP Exchange. RI was interested in receiving comments from vendors who could separately provide IT support for various components of RI's exchange (such as hosting, software, IT infrastructure and servers). The RFI <u>was not</u> searching for a comprehensive solution by a single vendor to address all issues of creating an exchange.	On November 29, 2011, Rhode Island became the first state to receive a Level 2 Establishment grant (\$59 M).
WI	Request for Information (RFI)	Wisconsin Office of Free Market Health Care	POSTED: 7.8.11 RESPONSES DUE: 7.31.11	Solicited information about health insurance Exchange systems and applications that serve the non-group and group health insurance markets. In August, Wisconsin hosted 20 vendors to demonstrate health insurance Exchange products. Based upon these vendor demonstrations, Wisconsin has begun research and development to define requirements for an Exchange solution to integrate with CARES and interChange.	<p>Under Democratic Governor Jim Doyle, Wisconsin developed an Exchange prototype that they have made available to the public. They also included the potential development of Exchange functions in an RFP for the redevelopment of their Medicaid eligibility system (subsequently awarded to Deloitte). Doyle's Republican successor, Scott Walker, had allowed refinement and redesign of Exchange IT systems to continue under his watch, with the help of a \$38 million Early Innovator grant from the federal government.</p> <p>The state had been preparing to release an RFP for off-the-shelf components of an exchange until Gov Walker announced in late December that they would freeze all exchange planning activities until the Supreme Court ruled on the constitutionality of the ACA.</p>

<p>WV</p>	<p>Request for Information (RFI)</p>	<p>West Virginia Office of the Insurance Comm.</p>	<p>POSTED: 10.21.11 RESPONSES DUE: 11.30.11</p>	<p>Solicited information on viable available or proposed third-party platforms, and/or turn-key solutions, components, and services, as well as estimated pricing, capabilities, and ideas for meeting West Virginia's vision for a health insurance Exchange.</p>	<p>More than any of the other RFIs, this document had the feel of a mini-RFP, which makes sense given the state's significant progress in development of an Exchange.</p> <p>In December of 2011, the Insurance Department released a <u>strategic plan</u> put together by their IT consultants, BerryDunn that includes a timeline suggesting a full RFP will be out in the 1st quarter of 2012.</p>
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Requests for Proposals

STATE	STATUS	ISSUING AGENCY	TIMELINE	BRIEF SUMMARY	NOTES
AL	Request for Proposals (RFP)	Alabama Medicaid Agency	POSTED: 11.18.11 RESPONSES DUE: 1.19.11	This RFP solicits an integrated, Web-based system that can support the major functions performed by the Medicaid Program’s Beneficiary Services eligibility function, including: outreach and screening; intake, application and referral; verification and validation of key required information; and eligibility review and determination, case maintenance and redetermination, and enrollment. The system will require a robust rules engine capability that will make it possible to use a single web-based application to support different programs and functions (i.e. exchange subsidies).	The RFP makes clear that the winning vendor should be prepared to integrate their eligibility solution with the Health Insurance Exchange that the Governor has indicated the state will build.
AZ	Request for Proposals	Arizona Health Care Cost Containment Systems (AZHCCS)	POSTED: 2.3.12 RESPONSES DUE: 3.14.12	Arizona is seeking IT solutions for plan and data management, financial management, cost and comparison capabilities, and customer service and grievance procedures. In addition, the RFP will identify a vendor to provide nearly all of the functions of the Small Business Health Options Program (SHOP) exchange. Funding for the procurement will come from the \$30 million Level One Establishment grant the state was awarded late last year.	The state has made clear that nearly all of the eligibility and enrollment functions required of the AHBE portion of the exchange will be built off of their existing Medicaid platform - and that the web portal will be designed and procured separately.
MA	Request for Response	UMass Medical School (UMMS)— Recipient of federal Early Innovator grant	POSTED: 12.21.11 RESPONSES DUE: 2.6.12	Solicited responses from Systems Integrator Contractors for development of a Health Insurance Exchange (“HIX” or “Exchange”) and Integrated Eligibility System (“IES”) for all Massachusetts health care assistance programs, to be known as the “HIX/IES Project”.	This project will be carried out in conjunction with the NE States Collaborative partnership that was awarded an ACA Early Innovator grant in March 2011.

MD	Request for Proposals (RFP)	Maryland Health Benefit Exchange	POSTED: 10.21.11 RESPONSES DUE: 12.5.11	The RFP contemplates development of the eligibility, shopping and enrollment functions of the AHBE Exchange as "Phase 1A" of the projects, while the enhancement of the AHBE's basic functions, as well as the development of the SHOP Exchange, are deemed "1b" and will be completed using either optional task orders on the original contract or a separate procurement process.	With this document, Maryland became the first state to issue a Request for Proposals (RFP) for construction of the entire IT infrastructure required to operate an Exchange. The phased implementation and significant bond-posting requirements have raised concerns among some vendors.
MN	Request for Proposals (RFP)	Minnesota Dept of Commerce	POSTED: 6.20.11 RESPONSES DUE: 8.1.11 (Stage 1); 10.31.11 (Stage 2)	<p>The RFP calls for a two-staged proof of concept approach to evaluate and potentially implement solutions proposed by respondents. After submitting a concept and timeline for developing one of several specific Exchange functions, successful vendors were awarded \$10,000 to build out their concept, with up to three respondents awarded a stipend for each function. Stage two will include an evaluation of the prototypes. The following vendors submitted proposals: Ceridian, Deloitte, IBM, Oracle, Infosys, GetInsured.com, Extend Health Inc., hCentive, Xerox ACS, Health Management Systems Inc., Curam, BSwift, Maximus, 4Point.</p> <p>In December 2011, the state made the winning modules available for public review on the Department of Commerce's web site. Each module has three or four samples from different vendors, including Ceridian, Curam, Deloitte, GetInsured.com, and MAXIMUS/Connecture.</p>	Minnesota's is a unique approach to Exchange procurement, setting the stage for what could be a highly modular system in which the various Exchange functions are designed by several different vendors and stitched together to make a fully-operational Exchange.

MS	Request for Proposals (RFP)	Mississippi Comprehensive Health Insurance Risk Pool (MCHIRP)	POSTED: 11.16.11 RESPONSES DUE: 12.16.11	MCHIRP is phasing its procurement and development process for the exchange. Phase 1 is for establishment of a simple “shop and compare” web portal. The goal is to have the portal up and running by March 30, 2012. The additional phases of exchange implementation will be procured separately from Phase 1. Specifically, at the completion of Phase 1, MCHIRP anticipates release of another RFP for procurement of Phases 2 and 3 services. They may also release a separate RFP for Phase 4 services.	MCHIRP intends to roll out iterations of the exchange in the following order: Phase 1: Web Portal/Shop and Compare Functionality Phase 2: Unsubsidized Exchange Phase 3: Subsidized Exchange/Eligibility Determination Phase 4: Other Supportive Services
NM	Request for Proposals (RFP)	New Mexico Human Services Department	POSTED: 2.3.12 RESPONSES DUE: 3.8.12	The RFP calls for developers to submit IT solutions for New Mexico to develop a web portal that will guide residents through choosing a health care plan on New Mexico’s exchange. The system will determine eligibility of residents for Medicaid/CHIP coverage as well as determine what subsidies, if any the resident is eligible for. To accomplish this goal, the vendor will need to develop a system that interfaces with insurance providers, CMS, the Division of Insurance and integrates with New Mexico’s automated eligibility determination system, ASPEN (which is currently being developed by Deloitte). The RFP asks for respondents to include 1 year of operations and maintenance in their responses and to estimate costs for five additional years of support.	New Mexico has budgeted \$23.9 million for this program paid for by a \$34.2 million Level One grant from CMS.

<p>NV</p>	<p>Request for Proposals</p>	<p>Nevada Department of Health and Human Services/ Silver State Health Insurance Exchange (SSHIX)</p>	<p>POSTED: 12.20.11 RESPONSES DUE: 3.5.12</p>	<p>DHHS is seeking a vendor to develop and implement a business rules engine that will store all of the eligibility rules for the State's publicly-subsidized health coverage programs in a single place and will be accessible to individuals shopping for health coverage from multiple entry points, such as the Health Insurance Exchange.</p> <p>The business rules engine will determine an individual's eligibility for all publicly-subsidized health coverage programs, including: Medicaid, CHIP, Basic Health (if applicable) and Exchange tax credits. It will link to existing eligibility determination and claims processing systems for Medicaid, SNAP, and other asset-based programs.</p>	<p>SSHIX plans to utilize a multi-phased approach to the acquisition and implementation of the services necessary to support the development of the exchange.</p> <p>Phase 1: Eligibility Engine Solution (Current RFP) Phase 2: Exchange Core Functions Phase 3: Other Supportive Services</p> <p>They plan to issue an RFP for exchange core functions in April of 2012 and complete vendor selection by May.</p>
<p>NY</p>	<p>Request for Proposals (RFP)</p>	<p>New York Department of Health</p>	<p>POSTED: 7.15.11 RESPONSES DUE: 9.16.11</p>	<p>New York's RFP is funded through the Early Innovator grant that the state received in early 2011. It calls for the development of "modular, reusable, scalable, open standards technology components," with the state's existing Medicaid eligibility system, eMedNY, envisioned as the platform for development of Exchange systems.</p>	<p>The state's reprourement of their MMIS system has, as in many states, suffered significant delays. Given the decision to design the Exchange IT systems off of the eMedNY system, this could explain similar delays in awarding a contract from this RFP.</p>

Recently Completed Procurements

STATE	STATUS	ISSUING AGENCY	TIMELINE	BRIEF SUMMARY
OR	SELECTED EXCHANGE IT PLATFORM WITHOUT Request for Proposals (RFP)	Oregon Health Authority/ Oregon Health Insurance Exchange	Chose Oracle through sole-source procurement process.	As part of the \$48 million Early Innovator grant they received in February 2011, Oregon will be building what they refer to as a "single brain" for eligibility determinations across the Exchange, social service programs and Medicaid. Oregon has contracted with Oracle to bring together all of the non-financial management functions of an Exchange, using modular, off-the-shelf solutions.
NC	SELECTED EXCHANGE IT PLATFORM WITHOUT RFP	North Carolina Department of Insurance	Chose Curam through extension of existing IT systems contracts,	<p>In December 2008, Cúram was awarded the contract to implement the NC FAST eligibility and case management system for Medicaid, CHIP, and other public assistance programs. Two years later, Accenture was brought in as the system integrator. In its Level One Establishment grant application, submitted on June 30, the state indicates that it intends to move forward with development of a link between its current Medicaid eligibility engine and its prospective Exchange using functionality provided by Cúram. The grant application, as well as the planned reliance on existing software, means IT and services RFPs could be on the street relatively soon.</p> <p>Specifically, the state plans to deploy Version 6 of the Cúram Enterprise Framework, aka "Cúram for Health Care Reform," that will support integration between the Medicaid system and the Exchange. Components include a front-end web portal; a streamlined Medicaid eligibility process and; an automated process for ACA benefit determination, as well as the level of premium subsidies for which they may be eligible. NCFAST will not handle eligibility determination for employers seeking to offer coverage through the state's SHOP Exchange. Future RFPs for non-eligibility functions will be drafted under NCDI authority.</p>
WA	Request for Proposals (RFP)	Washington Health Care Authority/ Washington Health Benefit Exchange	<p>POSTED: 10.28.11 RESPONSES DUE: 12.8.11 AWARDED TO DELOITTE 1.21.12</p>	The document requests that vendors describe their plans for the development and deployment of all hardware, software, network, and infrastructure services to be provided by the Washington Health Benefit Exchange--integrating existing systems with those needed to supplement these systems in order to operate a fully-functional Exchange. This includes a single Exchange portal that will support individual eligibility and enrollment, plan management, financial management, and the Small Business Health Options Program (SHOP) Exchange. In the State's vision of the Exchange, the existing ACES Eligibility System (Medicaid) will be available to determine eligibility for Medicaid, CHIP, Basic Health, and Advance Premium Tax Credits. The Exchange will also manage SHOP employer / employee eligibility, renewals, individual exemptions, adjudication of open / special enrollments, and events triggered by financial management transactions. The state's prior work in this area positioned it to be among the first to release an RFP, and explains why the state is not seeking a full build-out of Exchange infrastructure, but rather a vendor that can integrate existing IT with the functionalities required under the ACA that have not already been developed.