

## D. PROJECT ABSTRACT

**The Board of Directors of the Colorado Health Benefit Exchange (3773 Cherry Creek North Drive, Denver, CO 80209, [www.connectforhealthco.com](http://www.connectforhealthco.com)) requests a Level Two Establishment Grant, entitled “Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges Consistent with SB11-200” in response to FOA 93.525, serving all Colorado Congressional Districts, to fund implementation activities from July 1, 2013 to June 30 2016.**

The purpose of the Project is to complete all activities necessary to open Colorado’s new health insurance exchange in October 2013, enhance functionality of technology systems after the initial launch, evaluate the organization’s performance and adjust operations to best meet the needs of Coloradans, and ensure sustainability so that the organization can continue to serve Coloradans for years to come. Colorado’s vision for a health insurance exchange predates national health care reform. Colorado’s Blue Ribbon Commission for Health Care Reform was created by the General Assembly in 2006 to examine options for expanding affordable health coverage for Coloradans, among other tasks. Special attention was given to the uninsured, underinsured, and those at risk of financial hardship due to medical expenses. One of the Commission’s recommendations was to create a marketplace to assist small employers and individuals with obtaining health insurance.

In 2011, the Colorado General Assembly passed Senate Bill 11-200, which created the Colorado Health Benefit Exchange (COHBE) as a public, non-profit entity governed by a Board of Directors and a Legislative Implementation Review Committee. Doing business as Connect for Health Colorado, the organization’s mission is to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado. COHBE is intended to reflect the unique needs of the state, seek Colorado-specific solutions, and to support an open competitive marketplace. COHBE will serve the individual and small group markets, with an initial potential customer base of one million Coloradans and the ability to achieve sustainability with an enrollment of 220,000 by 2015.

In the individual market, consumers will be able to access COHBE through the website, over the phone through trained representatives at the new Customer Service Center, or in-person with a trained Health Coverage Guide (navigator and assistor) or certified broker in their community. Once on the website, consumers will be able to browse plan features and prices, get an estimate of potential savings through new federal financial assistance, and fill out the online application for insurance affordability programs and purchase health insurance. Consumers will be able to filter plan options by medical provider, monthly premium, cost-sharing tier or carrier. If eligible for a premium tax credit, consumers will be able to choose how much of the tax credit to use up-front to reduce costs.

In the small group market, COHBE will offer employers the ability to work with brokers and other trained representatives to provide small group coverage to employees. COHBE will operate alongside existing carrier and broker sales and distribution channels, allowing employers the ability to provide employees with greater choice of health plans and assisting with administrative tasks, such as aggregating payments.

Colorado’s Exchange has been built upon a foundation of support from the Governor, legislators, businesses, consumers, health care advocates, providers and other stakeholder groups. COHBE continues to convene regular public meetings to discuss planning activities and policies with advisory groups, Board committees and the entire Board. COHBE worked with stakeholders to design and implement a financial plan that will ensure long-term sustainability with conservative enrollment targets and minimal disruption to and financial burden on the market. All meeting information and key documents are posted on the website, [connectforhealthco.com](http://connectforhealthco.com). Staff, Board members and volunteer speakers travel across Colorado for outreach meetings and presentations, speaking to more than 130 organizations with attendance of over 6,000 in 2012 and over 70 groups with attendance of over 2,500 so far in 2013.

COHBE is implementing a broad outreach and education campaign, in collaboration with partners, to ensure that Coloradans know about the new online marketplace and how to take advantage of the new service and the variety of high-quality support programs that are available to help them make informed decisions. COHBE has also taken the necessary steps to ensure financial and operational accountability. The organization successfully completed a financial and Federal A-133 Audit in 2012 and contracted with an outside company to provide an independent assessment of project readiness. Resources from this grant will allow COHBE to complete activities for a successful launch and ongoing activities to best serve Coloradans and achieve financial sustainability.

## **E. PROJECT NARRATIVE**

### **A. DISCUSSION OF EXISTING EXCHANGE PLANNING AND EXCHANGE ESTABLISHMENT PROGRESS**

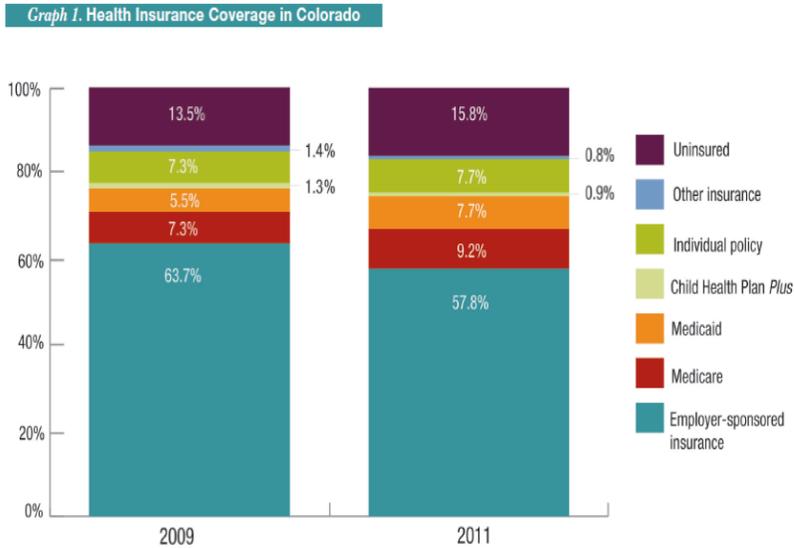
With the support of a Planning Grant and two Level One Establishment Grants awarded in February 2012 and September 2012, Colorado has been implementing a health insurance exchange based on the principles of access, choice, affordability, competition, shared responsibility and quality. The state's work is grounded by the work of the Blue Ribbon Commission for Healthcare Reform, which recommended a way to assist individuals and small businesses with obtaining insurance in 2008, and the vision laid out in SB 11-200, the state law that establishes the Colorado Health Benefit Exchange (COHBE). COHBE is designed to be a Colorado specific solution to address access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado. The enabling legislation, SB 11-200, directs the state to create an Exchange based on the principle of an open, competitive marketplace and includes an emphasis on meeting the needs of individuals, small businesses and rural Coloradans.

#### **1. Key Findings of Background Research:**

To inform planning and ways to evaluate performance after COHBE opens, Colorado has analyzed and obtained research from a variety of sources about potential consumers of the Exchange, including uninsured and underinsured Coloradans, Coloradans who purchase insurance through the individual market, and small employers who provide group plans to employees and those who don't provide group plans. The research includes early modeling by consultants in 2011, which provided estimates on rates and potential customers to meet early benchmark requirements for establishing a state-based Exchange. These subject-matter experts designed and conducted an analysis of the current market, including information from the Colorado Division of Insurance and state household studies, to help determine the potential impact COHBE could have on the market. The consultants projected that, by 2016, 460,000 Coloradans will be eligible to obtain health insurance using the advance premium tax credit through COHBE. An additional 160,000 Coloradans could use the Exchange to shop for and purchase coverage without tax credit assistance, according to the consultants.

Another study was the 2010 Colorado Small Group Market Activity and Rating Flexibility Report produced by the Division of Insurance. The small group market covered 267,411 Coloradans that year. Ten small group carriers covered 99.7% of all small group employees with health insurance. 26% of the market is comprised of Health Savings Accounts.

Additionally, data from the 2011 Colorado Health Access Survey, a telephone survey of 10,000 randomly selected households, estimated that 57.8% of Coloradans have employer sponsored health insurance, 17.8% have public health insurance, 7.7% are covered by individual policies and 15.8% or 829,000 Coloradans are uninsured. The highest concentration of the uninsured is in Western Colorado.



In 2012 and since being awarded the Level One Establishment Grants in February and September, COHBE gathered additional data from studies and surveys specific to the Colorado market. A coalition of consumer advocate organizations in Colorado provided the findings of a project that included obtaining information from written questionnaires filled out by more than 600 Coloradans in the winter of 2011 about the operation of the Exchange. The survey findings include an emphasis on the need to have access to trusted and knowledgeable assistance while using the Exchange and an interest in searching for health plans based on criteria such as cost, provider networks and covered benefits. COHBE has studied the results of the UX 2014 project and incorporated many of the project’s design elements into the shopping portal and enrollment process.

In December 2012, through a competitive proposal process, COHBE contracted with a Denver-based research firm, Corona Insights, to conduct market analysis from two major sources: the U.S. Bureau of the Census and the U.S. Department of Commerce, and to conduct consumer awareness surveys about COHBE. Corona Insights provided an analysis of the newest Census data, from the 2011 American Community Survey – data from about 50,000 households across Colorado.

At the state level, uninsured respondents are most likely to be at 133% to 250% of the federal poverty level and earning \$25,000 to \$49,000. The most common age bracket of uninsured respondents is ages 25 to 34. The least common age bracket of uninsured respondents was ages 0 to 5. Roughly half of all uninsured respondents are white and another quarter of them are non- English-speaking Hispanic. Uninsured rates are higher among Hispanics than among white Coloradans. Overall, the majority of the uninsured population is male. Additionally, the majority of the uninsured population report being a U.S. citizen. Aside from those not in the work force, the most common general industry category of the uninsured is entertainment. The most common general occupation categories of the uninsured, aside from not being in the work force, are food and construction.

Put another way, the typical uninsured person will most likely be within 133% to 250% of the federal poverty level and have a household income between \$25,000 and \$49,000. He is likely to be between 25 and 34 years old. He is likely to be male and to be white. He will most likely work in the restaurant or construction industry.

In the direct purchase category, direct purchasers are most likely to be at greater than 400% of the federal poverty level, which comprises almost half of the direct purchase market (43%). Similarly, direct purchasers are most likely to be in the \$100,000 or more income bracket (32% of market). The most common age bracket of direct purchasers is ages 55 to 64 (18% of market). The vast majority of direct purchasers are white (82%). Overall, the direct purchase population is evenly split between genders. Aside from those not in the work force, the most common general occupation categories of direct purchasers are managers or sales. The most common general industry categories of direct purchasers, aside from not being in the work force, are professional services and education. The most common specific industries of direct purchasers based on raw numbers are construction and restaurant.

Put another way, the typical direct purchaser will most likely earn more than 400% of the federal poverty level and have a household income of \$100,000 or greater. He or she is likely to be between 55 and 64 to be white. He or she most likely is a manager or sales person who works in the restaurant or construction industry.

Corona Insights conducted an analysis of 2010 U.S. Department of Commerce data of business establishments in Colorado. The data indicated that there are more than 145,000 business establishments with between 1 and 49 employees in Colorado. This can include businesses with more than one location. The counties with the highest number of businesses of this size are in Denver, Arapahoe, Jefferson, El Paso and Boulder counties. The vast majority of these businesses have less than 10 employees. The highest percentage of these businesses are in the following industries: professional, scientific and technical services, retail trade, construction and health care and social assistance.

COHBE also analyzed information from surveys of small businesses taken in 2012 by two stakeholder groups, the Rocky Mountain Employers Health Alliance, and Kaiser Permanente. The surveys indicate that cost is the top factor that will determine whether small businesses will participate in the Exchange and that interest in the Exchange is high among small businesses.

COHBE worked in partnership with state entities to obtain data necessary to help Colorado identify an Essential Health Benefit benchmark plan. A data call was issued by the Division of Insurance to Colorado carriers in early 2012 to obtain information about health plan benefits. With the assistance of consultants, the state created a chart of the potential benchmark plan options, which was presented to the public on June 29, 2012. Three public stakeholder meetings were conducted in July, feedback and comments were encouraged and a benchmark plan was identified in September 2012.

To inform outreach and education activities, Corona Insights conducted a pre-campaign awareness survey of thousands of Coloradans to get a baseline picture of general awareness of COHBE as an entity and what we do. The survey was conducted in March and April of 2013. COHBE will conduct a follow-up survey after the first open enrollment period to assess levels of awareness, including how Coloradans obtain health insurance, what COHBE does and who benefits from the marketplace. COHBE also obtained original consumer research from Pilgrim Advertising, the agency chosen to plan and implement the organization's public education campaign. Pilgrim conducted focus groups comprised of target customers: the uninsured, rural residents, individual purchasers, Hispanic families, small businesses that

provide coverage to employees and that don't. The research determined that attitudes were consistent across groups about what would attract them to come to COHBE for health insurance. They value competition, side-by-side comparison of plans, honest information about prices and choices, being able to shop from the major carriers and accessing new financial help to reduce costs. Consumers also showed a significant lack of knowledge and anxiety about COHBE and what the organization will offer.

The studies have impacted planning for the Exchange in a variety of areas. COHBE has detailed information about potential customers, including the number of customers, where they are located, their incomes and types of employment. COHBE has a clearer understanding of the challenges of reaching customers, especially rural Coloradans, and of maintaining coverage for Coloradans who have fluctuating incomes. The importance of providing affordable health plans has been emphasized by the research, especially for small employers. Consumer surveys indicate that personal assistance will be necessary for a significant number of customers. COHBE has also learned through interviews with navigator-like organizations that customers may need lengthy conversations to assist them through the shopping and enrollment process. COHBE is incorporating all of the findings of this research into the planning of the technology system, business operations, outreach and education campaigns, customer service functions and data to be collected after opening.

## **2. Legal Authority and Governance:**

**Governance:** Senate Bill 11-200, adopted by the Colorado General Assembly in May of 2011, established a statewide Exchange as a nonprofit, unincorporated, public entity, identified the qualifications and appointing authorities for the Board of the Exchange (Board), and provided the Board with the authority to create and oversee all aspects of the Exchange creation and operation that are pertinent to its governance role under SB 11-200.

The Board consists of nine voting members, five of who are appointed by the Governor with the remaining members appointed by the majority and minority leaders of each house of the General Assembly. Appointments for five members are for four years with four members having 2-year terms. Individual board members are each expected to have expertise in at least one but ideally two or more of the following areas:

- a. Individual health insurance coverage;
- b. Small business health insurance coverage;
- c. Health benefits administration;
- d. Health care finance;
- e. Administration of a public or private health care delivery system;
- f. The provision of health care services;
- g. The purchase of health insurance coverage;
- h. Health care consumer navigation or assistance;
- i. Health care economics or health care actuarial sciences;
- j. Information technology; or
- k. Starting a small business with 50 or fewer employees

Additionally, there are three non-voting ex-officio members: the Executive Director of the Department of Health Care Policy and Financing (or his or her designee), the Commissioner of Insurance (or his or her designee), and the Chief Administrative Officer of the Governor's Office.

According to SB 11-200, the Board is responsible for:

- Appointing the Executive Director of the Exchange
- Creating initial operating and financial plans
- Applying for planning and establishment grants
- Creating technical and advisory work groups
- Providing an annual progress report to state leaders
- Reviewing internet portals for use in the Exchange
- Considering the structure of the Exchange
- Considering the appropriate size of the small employer market
- Considering the unique needs of rural Coloradans related to access, affordability and choice with purchasing health insurance
- Considering affordability and cost in relation to quality of care and increased access to health insurance
- Investigating requirements, developing options and determining waivers

The Board of Directors of the Colorado Health Benefit Exchange conducted its first meeting on July 11, 2011. The Board held 11 full meetings in 2011. In October 2011, the Board adopted Articles of Governance and in November 2011, the Board elected Officers. The Board established six committees in 2011 – Governance, personnel, Finance, Grant Review, Rules and Regulation Review and Technology and Implementation.

In 2012, the Board met more than 40 times. The dates, times, locations, agendas, working materials and products can be found at [www.ConnectforHealthCO.com](http://www.ConnectforHealthCO.com). In July 2012, the Board of Directors held their first annual meeting and elected Officers for two year terms. In accordance with a policy to consider stakeholder input through advisory groups and written comment, the Board voted on more than 40 policy topics, shaping the operations of the Exchange. For example, in October 2012, the Board voted to provide nationally-recognized quality rating systems, including CAHPS and HEDIS, as well as other appropriate metrics about the quality of health plans. In December 2012, the Board voted to follow a six-step approach, including the hiring of an independent verification and validation firm, to control, monitor and prevent fraud, waste and abuse with technology systems and contractors. All Board policy decisions are outlined in a document that is posted on the [website](#).

In accordance with SB 11-200, the Board submitted an Annual Report to the General Assembly, Governor's Office and other state leaders in January 2012, outlining activities in 2011. In January 2013, the COHBE Board submitted an Annual Report about 2012 activities to the General Assembly, Governor's Office and other state leaders. Both reports are posted on the [website](#).

**Accountability to the General Assembly:** To ensure accountability to the public and to public officials, SB 11-200 establishes a joint Legislative Health Benefit Exchange Implementation Review Committee. The Review Committee may report up to five bills related to the needs of the Exchange. According to SB 11-200, the Review Committee shall review and approve grants, the initial operational and financial plan of the Exchange, and the selection of the Executive Director put forward by the Board of Directors.

The Review Committee held its first meeting on August 1, 2011 and a second meeting on August 31, 2011. In December 2011, the Review Committee approved the hiring of the Exchange's Executive Director/Chief Executive Officer and the submission of the Level One Grant Application. In February 2012, the Review Committee met to discuss progress at the Exchange with Patty Fontneau, COHBE's

Executive Director/CEO. Ms. Fontneau and Board Chair Gretchen Hammer also presented an update about Exchange planning activities at a March 1, 2012, meeting of the Joint House Health and Environment Committee and the Senate Health and Human Services Committee. More than 100 people attended that meeting in addition to the panel of more than 20 lawmakers who belong to the committees. The Chair and Vice-Chair of the Review Committee approved the second Level One Establishment Grant Application that was submitted in August 2012 and approved by the federal government in September 2012.

Review Committee leadership and membership changed in 2013 due to a shift in leadership and in members of the Senate and House due to elections held in November 2011. COHBE leadership has established regular communication with Review Committee members about a range of topics.

**Accountability and Transparency:** In addition to the provisions of SB 11-200 that include conflict of interest and open meeting and record requirements, the requirements for accountability and transparency are addressed through the public posting of documents on the website, including key reports, minutes, financial summaries and contract announcements ([www.connectforhealthco.com](http://www.connectforhealthco.com)). All Advisory Group meetings and Board meetings are posted in advance and are open to the public. In 2012, the Board approved policies addressing accountability of grant funds, financial operations and the prevention of waste, fraud and abuse.

### 3. Stakeholder Consultation:

Meaningful stakeholder engagement has been a priority of COHBE's from the beginning, in compliance with early benchmark requirements for establishing a state-based Exchange. Formal involvement included a series of ten Insurance Exchange forums conducted between July and December of 2010. Six of these sessions were conducted in the Denver metropolitan area with the remainder taking place around the State (including Alamosa, Grand Junction, Colorado Springs and Greeley). Notes from all meetings are available on the State's [website](#). The culmination of this early outreach was a document entitled "Stakeholder Perspectives: Health Insurance Exchange Governance and Structure," which is posted at [www.ConnectforHealthCO.com](http://www.ConnectforHealthCO.com). The participants included AARP, Aetna, Colorado Association of Commerce and Industry, Colorado Association of Health Plans, Colorado Coalition for the Medically Underserved, Colorado Group Insurance Association, Colorado Medical Society, Colorado Nonprofit Association, Denver Health and Hospital Authority, Denver Metro Chamber of Commerce, Health Advocates Alliance, Health Care for All Colorado, Kaiser Permanente, National Association of Health Underwriters, Rocky Mountain Health Plans, Colorado Health Foundation, UnitedHealth Group, and WellPoint. Each of these entities submitted specific comments on one or more of the issues facing the Health Reform Implementation Board.

**Work Groups:** Immediately after Exchange planning began in late January of 2011, several work groups were formed to engage stakeholders and to tap into their expertise in planning efforts for the Exchange. The work groups that were formed during the planning grant included: The Data Advisory Work Group, The Small Employer Work Group, Eligibility, Verification and Enrollment Workgroup, and Marketing, Education and Outreach Work Group. All agendas and minutes of work groups are available to the public on the Exchange website, [www.getcoveredco.org](http://www.getcoveredco.org).

**Advisory Groups:** In May 2012, the COHBE Board established a new, more formal, process for soliciting stakeholder involvement through Board Advisory Groups. The Board voted to establish three Advisory

Groups (Health Plans, SHOP and Individual Experience) and continuing the work of the outreach group under the name Outreach and Communications Advisory Group. The Board established a framework for establishing the groups to create a balance and diversity of viewpoints and to include the perspective of rural Coloradans. The groups were also established with an interest in maximizing effectiveness through member size, standard operating procedures, naming co-chairs, and allocating questions for each group to address. The three new advisory groups began meeting the first week of June 2012. By the end of 2012, COHBE had convened about 50 advisory group meetings to obtain feedback about dozens of policy and operational topics that were reported to the Board to inform the Board's decisions. Advisory Groups are providing feedback and input about issues including employer and employee choice architecture, standard comparative plan information, health plan certification, partnering with brokers and outreach planning. Members of the public participate in person and by phone and all meetings are attended by at least 30 people. In 2013, COHBE continued to convene monthly advisory group meetings and also held combined advisory group meetings to obtain feedback about topics that affect a broad array of stakeholders, including cost calculators, display of quality measures, and the single streamlined application for financial assistance and public health programs. COHBE continues to adjust advisory group planning to respond to feedback from stakeholder groups about ways to improve the process.

As an example of the impact of the advisory groups, the Outreach and Communications Advisory Group helped guide the re-naming of the Exchange. In the fall of 2012, members overwhelmingly recommended that COHBE discontinue the use of its legal name with consumers because the name does not effectively convey how the Exchange benefits consumers. Advisory group members provided guiding principles for how COHBE should approach finding the new name, Connect for Health Colorado.

**Tribal Consultation:** In December 2011, COHBE staff developed a Tribal Consultation Plan and sent it to the Tribal Leaders of the Southern Ute and Ute Mountain Ute Indian Tribes for comment. The plan provides a framework for future communication and consultation, including monthly updates about tribal outreach activities that are sent to tribal leaders.

Since early 2012, the COHBE Director of Communications and Outreach has been serving on the Healthcare Committee of the Colorado Commission of Indian Affairs. She also attends meetings related to Native American health issues. In May 2012, the COHBE Outreach and Communications Manager and Health Plan Manager traveled to southwest Colorado for consultation meetings with the Tribal Councils of both federally-recognized Indian Tribes. COHBE staff communicated frequently with Tribal leaders and staff about a variety of ways they could partner with the Exchange to assist Tribal Members. COHBE offered Tribal Leaders the option to set up a system for helping to pay for health plan premiums for Tribal Members who obtain coverage through the Exchange. Both tribes chose not to pursue this option for the first year of operations. COHBE will continue to offer additional options to Tribal Leaders.

In 2013, COHBE held numerous discussions with Tribal Leaders and staff about the Assistance Network (navigator and in-person assistor program). Leadership at both Tribes have expressed interest in collaborating with COHBE to obtain grants to serve as an Assistance Site. COHBE continues to communicate with both Tribes about this program.

The Exchange is also developing plans to serve Native Americans living in urban communities around Denver and Colorado Springs who do not belong to the two Ute tribes in Colorado. Additional staff resources are being placed on this area to ensure that adequate outreach is conducted with Native Americans across Colorado.

**Other stakeholder forums:** The stakeholder involvement process extends beyond activities that are strictly about the Exchange. COHBE staff has been coordinating with the Governor's Office and Division of Insurance since December 2011 to solicit stakeholder feedback about the process of choosing an Essential Health Benefits benchmark plan for Colorado. The communication process included email updates and blogs about the work of preparing for Essential Health Benefits public meetings. COHBE helped convene seven stakeholder meetings in 2012, including several meetings about Essential Health Benefits, meetings to obtain feedback about initial shopping portal design, and health plan quality measures. In the fall of 2012, COHBE distributed an online survey to stakeholders to obtain detailed feedback about initial shopping portal designs. Hundreds of stakeholders provided feedback, which was incorporated into planning and changes of the design and wording of the shopping portal.

**Website and other communications channels:** In November 2011, the Colorado Health Benefit Exchange launched an informational website, [www.GetCoveredCO.org](http://www.GetCoveredCO.org), which allows stakeholders to learn more about, follow and get involved in the work to develop the Exchange in Colorado. New meetings, documents and events are posted several times a week, if not daily. Hundreds of Coloradans have signed up for email updates through the website. As of early May 2013, more than 900 people have requested to receive weekly email updates. The Exchange has been sending weekly email updates about Exchange activities since spring 2012, as well as providing regular updates on Twitter, Facebook and the website. As of early May 2013, COHBE has been sending weekly updates to more than 1,400 individuals and organizations across Colorado, and that list continues to grow. The website includes a way for individuals to submit questions to COHBE. COHBE responds to those questions by email. As of April 2013, COHBE has responded to more than 150 questions, covering a variety of topics, including how special health savings accounts can be used through the Exchange and how brokers will partner with the Exchange.

In early May 2013, COHBE launched a new website, [www.ConnectforHealthCO.com](http://www.ConnectforHealthCO.com), using the new name and focusing more directly on providing consumers with useful information. Stakeholders helped COHBE identify individuals and business owners to contact for personal stories, which are presented through videos on the new site. The new site includes many features – such as a way to estimate financial help - to help consumers understand what to expect and how to get involved.

**Outreach meetings and presentations:** COHBE has worked with stakeholders to refine an outreach plan that will effectively educate Coloradans about the Exchange. This process includes reviewing lists of partner entities, identifying priority organizations and implementing a plan to establish relationships with those groups. COHBE staff conducted a stakeholder mapping exercise, which continues to be reviewed periodically. To ensure communication across the state, and in rural communities, COHBE has hired two Outreach Coordinators. One Outreach Coordinator is responsible for communicating with partners and consumers in western slope communities. One Outreach Coordinator is responsible for conducting education in Hispanic communities (in English and in Spanish), and with conducting general outreach in the southern region of Colorado. COHBE has also launched a Speakers Bureau program to deploy volunteer speakers to meetings when COHBE staff cannot attend, and to solicit additional outreach opportunities. In addition to working with stakeholder organizations and individuals, COHBE has established a partnership with the Colorado Center for Nursing Excellence to train and deploy nurses to conduct educational presentations across the state. COHBE intends to add resources, paid and volunteer, to ensure adequate outreach across target communities.

As of early May, COHBE staff conducted more than 70 presentations across the state in 2013, including in Grand Junction and Durango, reaching an audience of more than 2,500 individuals. These meetings

included hospital and community health clinic administrators, brokers, community organizations, providers and advocates. COHBE intends to intensify outreach initiatives for the remainder of 2013 and until the end of the first open enrollment period.

#### 4. Long-Term Operational Costs:

COHBE's forming legislation, Colorado SB 11-200 prohibits COHBE from using Colorado General Funds to implement or operate the Exchange. Once Federal funding opportunities are no longer available, the organization envisions a balanced sustainability plan that provides revenue stability in the early years, while enrollments grow, with cost controls during the first four years of operations largely as a result of contract strategies.

##### Sustainability Plan Strategy and Objectives

Since being awarded its 2nd Level One grant funding, COHBE and its Board have worked to develop a reasonable and balanced approach to achieve its January 1, 2015 sustainability requirement. The guiding principles behind this approach are to bring about long-term financial balance utilizing the following elements:

- Focus on providing value to consumers and communities
- Derive revenue from a range of sources
- Set the Exchange up for success
- Focus on maintaining affordability

To prepare a sustainability plan, COHBE met with over 100 stakeholders, worked on the collection and verification of data to support enrollment numbers, developed a cost model, and finally, evaluated multiple, potential revenue sources.

Several research and modeling studies were done during COHBE's 2<sup>nd</sup> Level One grant period that helped to inform the development of the financial modeling for the future sustainability of the Exchange. From the information gathered, COHBE staff designed a sustainability plan that considered long and short-term operational costs and revenues. This plan was presented to and approved by COHBE's Board in January 2013.

##### Enrollment

In 2011, the State of Colorado worked with Jonathan Gruber to provide research and evaluation of the potential impact of opening a state-based Exchange. One outcome of that research was the beginning of a dialogue and additional collection of statewide enrollment projections. Since that time, COHBE has worked with the Colorado Health Institute and Corona Research to provide additional, statistical information and insights regarding the potential size of the Colorado Exchange marketplace.

Using the raw data from all of these resources and applying methodologies found in various research documents as well as assumptions stemming from COHBE's outreach & communications work, an enrollment model was developed and has been further refined to the following (mid-range) estimates, which include both Individual and SHOP enrollments:

2014	2015	2016	2017
136,300	220,000	250,000	300,000

Ongoing Operational Costs

To determine how much and what types of revenue would meet the requirements of the Exchange, COHBE developed an operational cost model that has been refined to align with new information received on nearly a daily basis. Those costs are shown below in broad categories.

	2015	2016	2017	2018	Notes for extended budget years
Personnel	\$3,822,579	\$3,937,256	\$4,055,374	\$4,177,035	Based upon approximately 39 FTE's
Fringe	\$1,204,112	\$1,240,236	\$1,277,443	\$1,315,766	Payroll taxes and employee related insurance
Assistance Network	\$3,290,097	\$1,368,933	\$1,113,352	\$1,120,723	Only the COHBE Portion is shown – up to 50% of the program may be funded by other sources
Customer Service Center Implementation			\$102,500		Customer Service Center hardware upgrades
Customer Service Center Operations (Fixed Costs)	\$3,800,218	\$3,964,819	\$4,061,921	\$4,225,022	
Customer Service Center Operations (Variable Costs)	\$3,184,663	\$3,692,798	\$2,753,006	\$2,612,159	Based on staffing model developed prior to first open enrollment period in 2014, expect modifications
Back Office Operations - Baseline (assumed fixed)	\$1,745,021	\$1,832,272	\$1,923,886	\$2,020,080	
Marketing, Outreach & Communications	\$250,000	\$1,500,000	\$1,500,000	\$1,500,000	The 2015 budget number is reduced to align with the 2014 media strategy, cost shifting may occur between these three years
Travel	\$65,000	\$65,000	\$65,000	\$65,000	
Technology Ongoing	\$6,540,455	\$6,540,455	\$6,492,455	\$6,492,455	Maintenance, Support, Hosting, licenses
Consulting	\$436,925	\$436,925	\$436,925	\$436,925	Includes: Audit, Training, Legal, Business Dev, Analytics, Communications & Outreach Support
Supplies & Equipment	\$72,263	\$75,877	\$79,670	\$83,654	
Other	\$939,435	\$958,224	\$977,388	\$996,936	Major costs = \$817K: Rent & Occupancy (\$416K), Insurance (\$257K), IT Tech Support (144K)
<b>Total Annual Estimated Costs</b>	<b>\$25,350,769</b>	<b>\$25,612,794</b>	<b>\$24,838,920</b>	<b>\$25,045,754</b>	

**Revenue**

The revenue portion of COHBE’s sustainability plan was developed in part by holding hundreds of meetings with stakeholders and Exchange staff to discuss and evaluate the various options. During this process, COHBE built a list of dozens of potential revenue sources and then gradually reduced the number based on the discussions held. Finally, COHBE landed on a revenue model that includes having multiple funding sources that are dependent upon different variables (grants, enrollments, legislation). The combination of these factors should provide income stability while the Exchange establishes a solid customer base. Following are the revenue streams conceived through 2015, the anticipated timing of each, and the current status of the funding:

**Table1 – Implementation & Early Operational Funding Sources**

	Funding Sources Implementation & Early Operations	Start	Finish	2013			2014				2015				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Federal Grant – 2nd Level 1 (Awarded)	4/30/2013	2/11/2014	█											
2	Federal Grant – Level 2 (Pending)	7/1/2013	6/30/2016	█											
3	Other Grant Sources	7/1/2013	6/30/2014	█											
4	CoverColorado Transfer Unclaimed Property Fund (Pending)	9/2/2013	9/30/2013	█											
5	Administrative Fees (Enrollment Based)	12/2/2013	12/31/2015				█								
6	Carrier Tax Credit Donations (Pending)	10/1/2014	10/30/2014								█				
7	Health Insurer Assessments (Pending)	1/1/2015	12/30/2016								█				
8	CoverColorado Reserve (Pending)	4/1/2015	4/30/2015								█				

Green denotes funds received or awarded, gray denotes funds pending award, to be submitted, or pending legislation  
 The Level 2 Federal Grant shows the additional time for implementation funding  
 CoverColorado Transfer Unclaimed property funds, CoverColorado Reserve & Carrier Tax Credit Donations are all shown as a one-time event on this chart. Carrier Tax Credits may occur every October beginning 2014.

Each of the implementation and early operational funding sources in the above table are described in detail below:

1. COHBE’s 2<sup>nd</sup> Level One grant period extends through 7/15/2013. Those funds have been awarded and are being used to support the establishment of the Exchange.
2. COHBE’s Level Two grant period will provide funding for the balance of the establishment work and the first year of Exchange operations as well as additional implementation costs into 2016.
3. COHBE has requested other foundation grant funding to fund the Navigator portion of its Assistance Network program. The initial grant request is for \$2.145 million and would cover the period of 7/1/2013 through 6/30/2014. COHBE hopes to have ongoing funding from various foundations whose missions support the enrollment of uninsured individuals.
4. During the first quarter of 2013, COHBE drafted legislation that enables four of the funding sources in the above table: Health Insurance Carrier Assessments, Cover Colorado Transfer of Unclaimed Property Funds, Carrier Tax Credit Donations, and CoverColorado Reserves. This legislation, HB13-1245, passed the Colorado House of Representatives and is currently being heard in the Colorado Senate. The details of each of these funding sources follows:

- The assessment on Health Insurance Carriers is a broad market assessment on all health insurers providing policies in Colorado's individual and small business markets today. These assessments are capped at \$1.80 per member per month and will be off-set by funding received through the transfer from Cover Colorado Unclaimed Property Funds and CoverColorado's reserves (both described below). This funding mechanism would end 12/31/2016. The total amount of all three types of funding (broad market assessment, Cover Colorado's unclaimed property funds, and CoverColorado's reserves) between 2013 and 2016 is \$44,500,000. (The item accounts for funding Source 7 in the above table)
  - Prior to 2013, CoverColorado (Colorado's High Risk Pool insurer) has received a portion of its annual funding from Colorado's Unclaimed Property Fund. Because CoverColorado will cease operations as a result of the guarantee issuance of health insurance policies, CoverColorado will not need to draw money from the Unclaimed Property Fund beginning in 2013. COHBE's legislation sponsors amended HB 13-1245 to retract a portion of the Cover Colorado distribution and transfer the \$15 million from Colorado's Unclaimed Property Fund to COHBE during 2013. These funds would be held for operational and technology reserves in future years or would be used to fund any Exchange activities that are not covered by COHBE's Federal funding. (Funding Source 4 in the above table)
  - COHBE is working with CoverColorado to facilitate the transfer of their current enrollees to policies offered through the Exchange. Their operations will end in 2014 and they are forecasting they will have a balance in their operational reserves. COHBE's legislative sponsors have included an amendment to HB13-1245 that would provide COHBE with a portion of those reserves estimated to be \$8.5 million. The CoverColorado reserve funds would be transferred to COHBE at the end of the first quarter of 2015. (Funding Source 8 in the above table)
  - Another funding source of CoverColorado has been from Insurance Carrier Tax Credit Donations. COHBE's pending legislation would change the beneficiary of these Tax Credit Donations from CoverColorado to COHBE. These donations are capped at \$5 million per year. (Funding Source 6 in the above table)
5. COHBE will charge administrative fees to health insurance carriers for plans sold through the Exchange. COHBE's Board voted to set the fees at 1.4% for 2014. In future years, COHBE will evaluate what other funding sources are available, along with expected operational reserves, and work with its Board to determine the level at which the annual administrative fee will be set.

As COHBE transitions from implementation to longer-term operations (2015-2018), its revenue model shifts away from legislative revenues toward revenues based on enrollment in the Exchange and other revenue/cost reduction strategies such as the sale of website advertising, services sharing with other States, grant funding, and the sale of ancillary products. The following table illustrates the timing of ongoing revenue sources:

Table 2 – Ongoing Revenue Sources

	Funding Sources Ongoing Operations	Start	Finish	2015				2016				2017				2018			
				Q1	Q2	Q3	Q4												
1	Federal Grant – Level 2	7/1/2013	6/30/2016	█															
2	Health Insurer Assessments	1/1/2015	12/30/2016	█															
3	Administrative Fees (Enrollment Based)	1/1/2015	12/31/2018	█				█				█				█			
4	Other Revenue	7/1/2014	12/31/2018	█				█				█				█			
5	Carrier Tax Credit Donations	10/1/2015	10/30/2015					█											
6	Carrier Tax Credit Donations	10/3/2016	10/31/2016					█											
7	Carrier Tax Credit Donations	10/2/2017	10/31/2017									█							
8	Carrier Tax Credit Donations	10/1/2018	10/31/2018													█			

**Sustainability Model**

Once COHBE had an understanding of projected enrollment in the Exchange, estimated costs, and potential revenue sources, work began with Milliman to develop various financial modeling scenarios that were used to illustrate the multiple options to COHBE’s Board. With the Board’s approval, COHBE staff began working toward implementing the plan.

Now complete, COHBE’s sustainability model provides the organization with the flexibility required to ensure that revenue is in balance with ongoing operational costs, while also allowing for the build of operational and technology reserves.

The following model shows the projected revenues and expenses by year from 2013 through 2017.

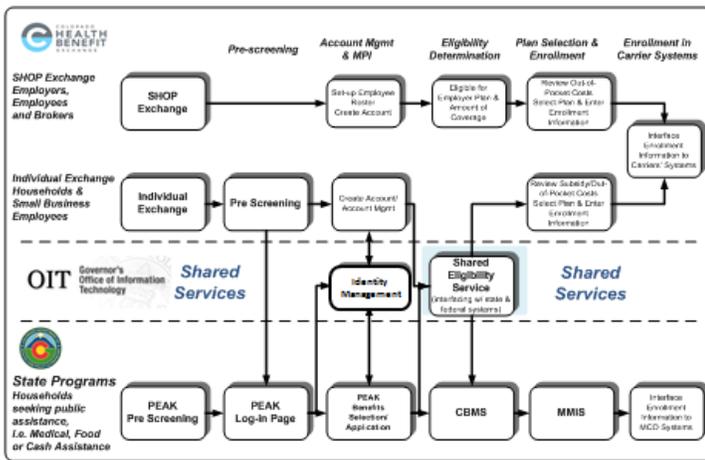
<u>Model Assumptions</u>					
Successful Legislation for Assessment - Years 2014 & 2015 (875,000 covered lives x \$1 PMPM)					
Successful Legislation for Tax Credit Donations (maximum of \$5 million annually)					
Premiums trend the same as they are in the market today (10% individual, 5% SHOP - annually)					
COHBE's portion of CoverColorado 2015 reserve is \$8.5 million					
Annual operating budget of \$26 million					
	2013	2014	2015	2016	2017
<u>Enrollment &amp; Premium Assumptions</u>					
Estimated Exchange Enrollment	0	136300	220000	250000	300000
Estimated Premium PMPM	\$0	\$283	\$297	\$312	\$328
Exchange Administrative Fee (PMPM)	0.00%	1.40%	1.40%	1.40%	1.90%
<u>Revenue Assumptions</u>					
Exchange Revenue from Admin Fees	\$0	\$6,480,247	\$10,982,664	\$13,104,315	\$22,408,379
Estimated portion of Federal Grant Funding (2013-2016)	\$51,874,135	\$44,954,181	\$26,929,416	\$0	\$0
Revenue from Unclaimed Property Fund	\$15,000,000	\$0	\$0	\$0	\$0
Revenue from CoverColorado Reserve Balance			\$8,500,000		
Revenue from Health Insurer Assessment			\$10,500,000	\$10,500,000	
Revenue from Premium Tax Credit Donations		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Potential Foundation Grants	\$2,134,000				
Total Income	\$69,008,135	\$56,434,429	\$61,912,080	\$28,604,315	\$27,408,379
<u>Expected Operating/Technology Budget</u>					
Expected Operating/Technology Budget	\$51,874,135	\$26,000,000	\$26,000,000	\$26,000,000	\$26,000,000
Remaining Implementation Costs estimated for 2014 & 2015		\$18,954,181	\$29,079,721		
Operating Budget (not Federally grant funded)	\$2,134,000	\$6,480,247			
Total Expenditures	\$54,008,135	\$51,434,428	\$55,079,721	\$26,000,000	\$26,000,000
<u>Net Income/Expense by year</u>					
Net Income/Expense by year	\$15,000,000	\$5,000,000	\$6,832,359	\$2,604,315	\$1,408,379
<u>Technology Obsolescence Solution begins after Operational Reserve reaches 50% of annual budget</u>					
Technology Obsolescence Solution begins after Operational Reserve reaches 50% of annual budget	\$2,000,000	\$7,000,000	\$13,832,360	\$16,436,675	\$17,845,053
Cumulative Operational Reserve/(Shortfall) established as approximately 50% of annual budget	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000

**5. Program Integration:**

Program compatibility is a necessary element in successful Exchange implementation. During the Level One grant periods, COHBE began the necessary steps to develop draft Memorandum of Understanding (MOU) with HCPF and the DOI. These MOUs delineate the specific functions, roles and duties for the establishment and operation of the Exchange. The MOU framework has been developed and agreements are expected to be completed by July 2013.

**Coordination with Medicaid, CHP and other public programs:** As directed by the COHBE Board in March 2012, COHBE is implementing minimum interoperability between the Exchange and State systems. Pursuant to this approach, regular coordination meetings between the Exchange and HCPF and OIT are held to address technology, business processes customer support and other aspects of related to interoperability. Minimum interoperability between COHBE and HCPF includes sharing a Medicaid/CHP+ eligibility service. COHBE and the state are currently working on interface designs and development to ensure a “no wrong” door for consumers. Detailed testing plans are being developed for interoperability testing scheduled to begin in May 2013. The Exchange is work closely with HCPF on business processes to provide a sound consumer experience.

**Minimum Interoperability**



**Coordination with the Colorado Division of Insurance (DOI):** SB11-200 requires the Exchange to not duplicate the functions of the Division of Insurance. COHBE and the DOI have assessed which functions lie with the Division of Insurance and which functions are the responsibility of the Exchange. In general, those aspects of the Exchange regarding statutory regulation of the insurance industry will remain with the DOI. This includes rate review, carrier complaints, broker licensing, network adequacy, non-discriminatory benefits and carrier solvency. The DOI will also develop the overall competitive basis of the market within and outside the Exchange, focusing on adverse selection and risk leveling. Similarly, the Exchange will collaborate with the DOI in the development of the system for reviewing and approving QHPs which meet the requirements of the grant guidance and the State’s own needs. DOI and COHBE representatives meet weekly to discuss policy topics and to ensure coordination and that the two groups are not duplicating activities.

## 6. Business Operations of the Exchange:

Utilizing Level One grant funding, COHBE has hired staff and secured necessary resources for development and implementation of steady-state business processes and procedures. COHBE has developed and is executing a business and operational plan which includes:

- All end-to-end customer interactions and how the technology and customer service center will support these business processes.
- Policies and sustained interaction with carriers to ensure a robust marketplace with maximum participation and sufficient offerings of QHPs to encourage competition and innovation.
- Processes to define all financial transactions and the mechanisms and resources to track and oversee these transactions.
- Analysis of design and reporting requirements across Exchange activities, processes, structures, and metrics to measure progress against operational and strategic business goals.
- Definition and establishment of oversight responsibilities to ensure protection of COHBE assets, integrity of customer data and prevention of waste, fraud and abuse.
- Timeline and activities to ensure Exchange functionality is in place for each core area to support conditional certification by 11/30/12 and full certification by 8/1/13 and full implementation of Exchange operations by 10/1/13.

The table below lists Business and Operational Plan Components.

<b>Colorado Exchange: Business and Operational Plan Components</b>
<b>Eligibility and Enrollment Systems</b> <ul style="list-style-type: none"><li>• Eligibility screening, preliminary eligibility determination and minimum interoperability with the state Medicaid program.</li><li>• Use of real-time electronic data sources to verify eligibility for using the Exchange and obtaining premium relief or cost-sharing reductions, where applicable.</li><li>• Website functionality for benefit and cost comparisons, reverse look-up provider directory, out-of-pocket expense calculator and other decision support tools such as preference questions which pre-set QHP filters -- functions associated with helping individuals and their families choose the right plans via system design</li><li>• Capabilities for enabling Health Coverage Guides (i.e. Navigators) to serve consumers.</li><li>• Administration of eligibility appeals related to the Exchange.</li><li>• Enrollment and disenrollment in health plans via enabling electronic enrollment (i.e. 834 transactions) and reconciliation of enrollments between the Exchange and carriers.</li><li>• Customer service center capabilities to support eligibility and enrollment functions across all channels (on-line, phone, mail, etc.)</li><li>• Small Business Health Options Program (SHOP) functionality for small employers to provide employee coverage and enrollment of employees and technology and incentives to support for the role of brokers in assisting small employers and their employees.</li></ul>
<b>Other Exchange Functionality</b> <ul style="list-style-type: none"><li>• Back office functions to support financial transactions (premium aggregation and billing) related to SHOP.</li><li>• Handling of appeals.</li><li>• Administration of tax credits and associated electronic reporting.</li><li>• Management of all customer interactions including complaints, benefit and coverage appeals and consumer assistance.</li></ul>

- Means for customers to easily provide feedback about the quality of their customer experience.
- Processes for QHP certification and electronic loading of QHPs.
- Certification of brokers and Health Coverage Guides including tracking requisite training.
- Processes and enabling technology to capture and display quality rating information.
- Electronic and hardcopy notifications.
- Data warehouse to provide analytics and reports on program effectiveness.

An overarching goal of the business and operational plan will be to: 1) identify and refine the steps necessary to reach a high level of consumer satisfaction, 2) ensure a robust availability of QHPs to create and maintain a healthy marketplace, and 3) create the business and financial structure to ensure sustainability.

**Financial Management Structure:** COHBE established independent financial operations in February 2012 to enable the organization to manage funds from the Level One Establishment Grant. COHBE has established financial structures to track expenditure of funds, to hire staff and consultants and to support operations. COHBE has established requisite internal controls such as procurement policies, budgeting and funds management and disbursement processes. COHBE has hired an independent firm to perform annual financial and operational audits of COHBE business operations. In 2012, COHBE successfully completed a financial and Federal A-133 Audit.

**Accounting System:** Due to the limited number of financial transactions during the start-up phase, COHBE is using Quickbooks as its primary accounting system. The system is configured with a basic chart of accounts and adheres to Generally Accepted Accounting Principles (GAAP). Effective July 1, 2013, COHBE will have its new Financial Management System in place, a SaaS product, Intacct, which specializes in non-profit accounting with complex budgeting and reporting requirements. COHBE's Exchange Technology and Services contract with CGI includes back office functions for managing financial transactions for operating the Exchange such as SHOP premium collection from small employers and employees and disbursement of aggregated premium payments to carriers and payments to Navigators. To manage these financial transactions, COHBE is licensing the Healthation application which includes billing/accounts receivables, payables and a general ledger. This financial management system is being implemented under the CGI contract and will be integrated into COHBE's financial system.

## [7. IT Gap Analysis and Exchange IT Systems:](#)

In December 2011, COHBE issued an RFP for Exchange IT systems and associated services COHBE. In developing this RFP COHBE worked with the State Medicaid agency (HCPF), the State's central IT organization (OIT) and the State Division of Insurance (DOI) to determine what existing systems could be leveraged to develop an Exchange solution that would address the requirements in the five core areas.

In the area of plan management, SB11-200 specifically prohibits COHBE from performing regulatory functions statutorily assigned to the DOI. Therefore, COHBE and the DOI held regular meetings to identify roles and responsibilities for to implement federal requirements for plan management. This collaboration led to development of Exchange Plan Management requirements (i.e. technology and services) delineated in COHBE's Exchange RFP. This effort also identified existing systems such as SERFF and brokers licensure which could be leveraged to support an overall Exchange solution. RFP requirements were drafted for integration of these systems into the COHBE Exchange solution.

In the area of Eligibility and Enrollment, COHBE met weekly with HCPF and OIT to identify technology, business process and organizational responsibilities which would leverage existing Medicaid capabilities and state data sources while ensuring separation of small business (SHOP) aspects of the Exchange as dictated by SB11-200. COHBE and the State performed an IT gap analysis which informed the Exchange RFP, the first Level 1 grant and the state's Medicaid funding requests. The three organizations evaluated various shared eligibility service and support models that would minimize

cost, provide a seamless consumer experience and meet the intent of SB 11-200. The agreed upon solution was reflected in COHBE's Exchange RFP and the state's Medicaid funding requests, i.e. PAPD and IAPD.

As a public, non-profit entity, technical requirements were developed, based on Board decisions, for financial management functions, such as SHOP premium aggregation as well as aggregation for the Individual Exchange. SHOP premium aggregation is being implemented for October 2013 while the Board voted to acquire the system capabilities to support Individual premium aggregation but not to implement this capability for October 2013. Also, since COHBE is a new organization, it was necessary for COHBE to acquire its own financial management system to support COHBE business operations.

Similarly, COHBE as a new entity has acquired the capacity (staff, systems, contractors) to meet the requirements for consumer engagement and support, education and outreach, and processes and administrative structures for appeals of Exchange eligibility determinations.

During the Level One grant periods, Colorado continued to make significant progress in three key IT areas: (a) project staffing and organization, (b) project oversight, (c) project execution and (d) ancillary acquisitions.

**Project Staffing and Organization:** COHBE continued to build its multi-disciplinary team comprised of COHBE employees and contractors. This team provides functional subject matter experts, project leadership, program management, and technical support. A subset of the team oversees Exchange implementation and investment. Other team members work with the COHBE Board and stakeholders to develop policies and guidelines for Exchange implementation and operations. Contractor resources are used to fill implementation positions. COHBE has established an optimal blend of employees to participate in implementation in order to minimize costs and ensure COHBE has a capable and fully trained staff to support operations. Contractor staff will begin ramping down in late 2014 and a significant reduction of the implementation staff is anticipated by January 2015.

**Project Execution:** Exchange implementation activities commenced in June 2012 and quickly ramped up. CGI has a growing team of employees dedicated to various aspects of Exchange implementation. Requirements validation sessions have been completed. Detailed design activities for interfaces to support eligibility interoperability and plan management are well underway. Four of six releases have been completed to-date. Two more releases are scheduled to be delivered and tested. The development and testing infrastructure has been created and is being used for integration and system testing. Agreements are being finalized to build the Customer Service Center. Configuration of the CRM tools to support the customer service center is approximately 50% complete. Final negotiations for the operations of customer service center are underway. COHBE expects robust carrier participation in the Exchange approximately 8-10 carriers participating in the Individual Exchange and 4-6 carriers participating in the SHOP Exchange. In April 2014 COHBE participated in a Detailed Design Review Consult. The Final Detailed Design Review will be held in early-June. All certification Blueprint requirements have been mapped to project activities. Blueprint requirements are being updated on a regular basis. Required certification artifacts are being developed in alignment with project deliverables in preparation for the Implementation Review.

**Project Oversight:** Subsequent to award of the Exchange contract to CGI and its partners, COHBE and CGI developed a detailed project plan and release schedule. In addition COHBE's has instituted and is utilizing the requisite management and oversight processes needed to manage this large and complex project, e.g. change control procedures, deliverables acceptance procedures, numerous weekly coordination meetings and status reporting, risk and issues management. COHBE has contracted with First Data to provide Independent Verification and Validation services; First Data is performing periodic reviews of COHBE and CGI progress and provides QA services on CGI deliverables. First Data provides COHBE leadership with formal reports identifying key findings and recommendations. The IV&V reports are also presented to the COHBE Board.

**Ancillary Acquisitions:** COHBE continues to perform acquisition activities for technology related products and services. COHBE recently awarded contracts for furnishing provider directory data, an out-of-pocket calculator, site and notice

accessibility and readability reviews, and Spanish translation QA. These Exchange enhancements will enhance the consumer experience and help ensure consumers make the most informed QHP selection decisions. Subsequent to award of the Exchange contract to CGI and its partners, COHBE and CGI developed a detailed project plan and release schedule. In addition COHBE's has instituted and is utilizing the requisite management and oversight processes needed to manage this large and complex project, e.g. change control procedures, deliverables acceptance procedures, numerous weekly coordination meetings and status reporting, risk and issues management.

#### **8. Reuse, Sharing and Collaboration:**

During the previous grant period, COHBE has been actively involved in assisting other states with knowledge transfer. COHBE has provided work products such as policy frameworks and policy decision documents, business process maps, RFPs and contracts, security documents and user interface wireframes to several states in the East and West coasts. COHBE has leveraged work products from other states and the Federal Exchange contractor (CGI Group) such as test scripts, Federal Data Services Hub (FDSH) design documents and FDSH code. COHBE has participated and continues to participate on a weekly basis in State Based Exchange forums and one-on-one sessions to share ideas, vet issues and solutions and benchmark progress.

In addition, COHBE has reached out to a handful of states that will initially be State Partnership Exchanges or in the Federally-facilitated Exchange. These states have expressed interest in using COHBE's Exchange solution in 2015 and 2016. COHBE has developed an economic analysis that identifies significant savings by re-using core areas of COHBE's Exchange system as well as a high-level estimate of areas requiring customization. This analysis indicates that states and HHS can save approximately 50% of implementation costs using COHBE's Exchange solution. In addition, re-use of COHBE's Exchange solution will likely save other states 12 months of implementation time and significantly reduce a state's internal resource requirements.

#### **9. Organizational Structure:**

COHBE's framework for managing and administering business operations is a hybrid of centralized and decentralized organizational structures. As a nonprofit organization, it is natural for several individuals to have responsibility for governance and leadership. Within COHBE, the leadership roles are held by the Executive Director, COO, CFO, Product Implementation Manager, Director of Communications and Outreach, Director of Partner Engagement and the Technology Lead. At the same time, COHBE's Program Management Office (PMO) is instrumental in oversight of the project plan and in supporting organizational leaders, staff, and vendors in meeting deliverables. The organizational structure is also functional – where department heads serve as part of the leadership team and maintain direct reports. COHBE must preserve flexibility in organizational structure to accommodate for rapid growth and expansion, and to maintain management stability and efficiency.

Key Exchange leadership positions and role descriptions are listed below. These positions correlate to the Organizational Staffing Chart included in Appendix I of this application.

##### **Board of Directors (Oversight and Support)**

The Board of Directors of the Colorado Health Benefit Exchange was appointed in compliance with Senate Bill 11-200. The Board meets about twice a month in open session to discuss and vote on a range of issues related to the establishment and operation of the Exchange. Board members also serve on six Board Committees which meet separately to review issues and make recommendations to the full Board. The Board also meets for Study Sessions to delve deeper into the technical aspects of building the Exchange. Gretchen Hammer is the elected Board Chair. Ms. Hammer is the Executive Director of the Colorado Coalition for the Medically Underserved and has experience implementing policy and health systems improvements at the state, municipal and community level. She is a native of Colorado.

**Executive Director (Oversight & Support)**

The Executive Director (ED) provides leadership and direction for the Exchange's strategic objectives and brings them to the Board for input, discussion and decision. The ED develops and maintains effective relationships with key stakeholders including the state legislature and provides oversight to all Exchange activities.

**Patty Fontneau**

The COHBE Board hired Patty Fontneau in December 2011 to serve as Executive Director and Chief Executive Officer. Ms. Fontneau is responsible for securing staff and consultants to build and operate the Exchange and directing the overall strategic direction of the organization. Patty Fontneau most recently served as Chief Operating Officer at Holme Roberts & Owen LLP, an international law firm. She previously served as Chief Administrative Officer for the IMA Financial Group Inc. and as Vice President and General Manager of the Western Service Center of TIAA-CREF, managing the operation of a 1,300-employee office in Denver. She serves on the boards of Downtown Denver Partnership, the University of Denver Business School Advisory Board and the Auraria Foundation. She won the 2007 Outstanding Women in Business Award (banking and finance category) from the Denver Business Journal, the Leadership Award from the Alumni Association of the University of Colorado at Denver Business School, and the 2003 Athena award from the Colorado Women's Chamber of Commerce, among other honors. Patty holds a bachelor degree in Business Administration from the State University of New York and an MBA in Finance from New York University. She is a Certified Employee Benefits Specialist and a Chartered Retirement Planning Counselor.

**Chief Operating Officer (Operations, Policy & Business Strategy)**

The Chief Operating Officer (COO) has responsibility for the strategic and operational areas of the Exchange. This position will provide leadership to the operational and strategic plan for the organization, in concert with the ED and CFO, and will lead the performance management process that will measure and evaluate progress against organizational goals. The COO will implement new strategic initiatives. The COO will partner with the ED to inform the Board on operations of the Exchange and will manage the operations staff.

**Lindy Hinman**

Lindy Hinman joined COHBE as Chief Operating Officer in August 2012, directing policy implementation and business operations. Lindy previously served at Horizon Blue Cross Blue Shield of New Jersey, where she coordinated the company's preparations for and responses to national health care legislation. Prior to that, Lindy served as Vice President of Policy at America's Health Insurance Plans, a national organization representing the health insurance industry. Prior to AHIP, she led strategic engagements on behalf of Avalere Health, a consulting firm focused on clients that include pharmaceutical and biotechnology manufacturers and a pharmacy benefits manager. She has also held positions with the White House Office of Management and Budget and Centers for Medicare and Medicaid Services in Washington DC. She holds a Bachelor of Arts in history/biology from Washington University in St. Louis and a Masters of Health Services Administration from the School of Public Health at the University of Michigan.

**Chief Financial Officer (Finance, Compliance & Procurement)**

The Chief Financial Officer (CFO) is responsible for management oversight of the strategic direction of the financial operation of the Exchange including procurement, sustainability, compliance, and financial integrity. The CFO ensures the systems are in place for accurate accountancy and control and prepares all financial reports as required by law, regulation or other governing authority. This position works with the ED on strategic initiatives of the Exchange.

**Cammie Blais**

Cammie has been supporting COHBE with finance and human resource services since early 2012 and joined the team as Chief Financial Officer in August 2012. As CFO, Cammie assists with strategic planning and oversees all finance, accounting, procurement and human resource functions at the Exchange. Prior to joining the Exchange, Cammie served for four years as owner of Bolder Business Solutions, a company that provided finance, human

resource, and specialized administrative services to businesses and non-profit organizations. Prior to opening her business, Cammie served for nearly seven years as Director of Operations and Controller at Newstrom-Davis Construction Company. In that position, she managed day-to-day operations in the areas of accounting, human resources and project management. Prior to that, she served for 14 years in management positions at the Greenblock Worldwide Corporation and at Dalby-Mayflower (a division of Mayflower Van Lines). She holds a bachelor degree in business and accounting from the University of Colorado - Colorado Springs.

#### **Product Implementation Manager**

The Exchange Implementation Manager is responsible for ensuring specific aspects of the Exchange Solution (business process, policy, and technology) are designed and built in accordance with COHBE business requirements, CMS and DOI rules and regulations, and industry standards. The Exchange Implementation Manager is responsible for managing and updating COHBE project plans and integrating and coordinating COHBE project plans with those of its partners. This position leads weekly meetings to review dashboard, status, critical dependencies and risk and issues with COHBE leadership team and works with vendors and other COHBE business analysts to define and develop technology or business process solutions to align with business needs.

#### **Adele Work**

Adele has been a part of the COHBE team since March 2012 when North Highland was selected as the PMO vendor. Although her initial role was as PMO lead, Adele soon took on additional responsibilities and is now acting as the Implementation Lead and Product Manager. In this role, Adele is responsible for managing the COHBE and CGI development and implementation activities, overseeing the development of the implementation roadmap, creating the technology implementation plan and coordinating with operational implementation planning. Adele is a Principal with North Highland, a global consulting firm. She has over 25 years of experience designing, developing, implementing and operating large scale technology systems in the health care and telecommunications industries. Prior to becoming a Principal with North Highland, Adele was a Vice President in the Media and Telecommunications Division of American Management Systems (now CGI) where she was responsible for a 300+ person engagement made up of a number of small projects and consulting engagements. She has been lucky to have managed or played key leadership roles in seven extremely large (>\$50M) projects in the last 25 years. Adele has a B.Sc. in Geophysical Engineering from the Colorado School of Mines.

#### **Director of Communications & Outreach (Outreach & Business Development)**

This Director of Communications & Outreach is responsible for determining methods for informing stakeholders of the activities of the Exchange, and most importantly, delivering information required to drive enrollment throughout communities to create interest in and knowledge about the Exchange.

#### **Myung Oak Kim**

Myung Oak Kim joined COHBE in September 2011. She is responsible for a range of communications and outreach duties and serves as spokesperson for the organization. She previously served as Communications Manager for former Gov. Bill Ritter Jr. Prior to that, she spent more than 15 years working as newspaper journalist in New York, West Virginia, Philadelphia and at the Rocky Mountain News in Denver, winning local and national awards for investigative projects. She is the co-author of a new book about the modern Korean economy and culture. She holds a bachelor degree in Journalism from New York University.

#### **Director of Partner Engagement**

This position holds significant responsibility for advancing the strategic objectives of COHBE by managing and furthering the technical, financial and strategic relationships between COHBE and our State and Federal regulatory partners as well as other key relationships. In addition, this position maintains an understanding of the partner's objectives, monitors internal and external requirements associated with achieving those goals, and provides input on program development or process improvements to address identified barriers to partner satisfaction. Frequent contacts and key stakeholders include the Division of Insurance, Health Care Policy and Financing, NAIC, CCIIO and the Governor's Office.

**Christa McClure**

Christa McClure joined COHBE in March 2013 and brings more than two decades of executive and management experience in the public and private sectors. She most recently served as Policy Director/Program Director of the Office of the Commissioner of Securities and Insurance in Montana, where she did the planning work to initiate a state based and then partnership exchange. She managed federal grants for health care initiatives and stakeholder engagement. As Montana moved to a Federally Facilitated Exchange, Christa brought her Exchange experience to Colorado. She had also served as Executive Director of the Eastern Montana Association of Affordable Housing, managing federal grants, housing programs, real estate acquisition and consumer assistance programs. Prior to that she held management positions in corporations with human resources and payroll and she operated a business consulting firm.

**Technology Lead (Technology)**

The Technology Lead is responsible for management of the technology vendor, shaping the design of the exchange, and ensuring interoperability and quality. The technology staff will expand and contract as necessary to allow the fluidity needed to manage technology activities while maintaining for fiscal responsibility.

**Gary Schneider**

Gary Schneider has served as Technology Lead for COHBE since October 2011. He brings extensive experience in software development, project management, change management, enterprise resource planning systems, business process re-engineering, financial management systems, customer research, and strategy development. Most recently, Gary supported the State of Kansas on the Medicaid Eligibility System selection and Health Benefits Exchange implementation. Prior to that, he managed implementation of a statewide financial management system (ERP) for the state of Kansas, state government agencies as well as the Wyoming Department of Transportation. Gary began his professional career working for the United States Government, in the Department of Interior and the Department of Energy (DOE). Gary holds an undergraduate degree in Agricultural/Systems Engineering from the University of Arizona and attended graduate school at the Massachusetts Institute of Technology where he studied Business, Management of Technology and policy.

**Other Positions**

Several other COHBE employees instrumental in providing second tier leadership for the Exchange are as follows:

- Individual Exchange Manager, hired 3/1/2012
- Health Plan Manager, hired 11/5/2012
- Customer Service Director, hired 4/8/2013
- SHOP Manager/Insurance Operations Officer, hired 8/20/2012
- Assistance Network Manager, hired 11/12/2012
- Implementation Manager/Testing, hired 4/2/2012
- Business Development, contracted 10/16/2012
- Appeals/In House Counsel, hired 8/27/2012
- Training Manager
- Back Office Manager

**10. Program Integrity:**

In February 2012, COHBE established financial mechanisms to provide necessary management of grant funds. This included complying with financial requirements for disbursement of grant funds including establishing precise accounting procedures, budgetary and payroll controls. In March 2012, the COHBE Board approved staff submitted

policies addressing procurement, workforce rules and financial policies & procedures, and whistleblower protections. And, in May and June of 2012, the COHBE board approved policies on financial reporting requirements, audit requirements, fraud waste and abuse, and consultant procurement.

Since June 2012, the COHBE Board voted to support a balanced revenue approach to sustainability while minimizing operational risk through the use of a multi-revenue source model that includes a carrier administrative fee for products being sold on the Exchange at 1.4% of premium for COHBE's first year of operations.

In addition, the COHBE Board has approved staff submitted policies that substantially expand protection against fraud, waste and abuse. The following financial management related polices have been approved this fiscal year:

- Protection Against Fraud Waste and Abuse:
  - Internal Financial Processes
  - Subscriber Data
  - Health Plan Compliance with False Claims Act
  - Technology
  - Information Security and Privacy
- Sustainability and Administrative Fees

Beginning in July 2012, the focus changed from policy and procedural implementation to strengthening financial oversight activities, ensuring responsible management of grant funds, and developing an approach to the organization's revenue model.

COHBE's financial management is subject to on-going review and monitoring as the volume and complexity of our financial transactions and the demand for information has grown. Specific activities as result are as follows:

- Implemented numerous new reconciliations to verify the integrity of our financial data
- Implemented additional internal controls over financial reporting to ensure management reviews, separation of duties, limiting access to resources and records to designated personnel, and managing resources to provide adequate staffing to address priority goals and objectives
- Developed a Grant Budget, Expenditure, Commitment report that provides COHBE's budget performance at a glance used routinely for evaluation and decision making
- Addressed comments or questions as they have arisen in the Board Finance Committee monthly review of the financial statements with plans for further enhanced reporting

In August 2012, COHBE successfully completed a financial and Federal A-133 audit and annual audits are expected going forward.

In January 2012, COHBE released an expansive Request for Proposal for Customer Service and Technology services that will serve as the anchor for the business operation. COHBE secured the services of a Program Management Office (PMO) in April 2012 to ensure that the organization meets scheduled deadlines and properly manages technology and customer service vendors. During the extensive evaluation process for customer service and technology vendors, COHBE secured the services of subject-matter experts to ensure COHBE a) makes the best choice to safeguard implementation success, and b) receives the most value for the contracted services. The negotiation process with the chosen vendors included a strong push for price concessions and identifying ways to reduce costs and ensure successful implementation. The Technology & Services contract was structured and priced to accommodate two separate activities, implementation activities, covered by a fixed price structure, and monthly support and operations activities, billed out under a time and materials structure. COHBE chose to pursue its own licenses for certain software to reduce costs. More details about financial oversight of the Service & Technology contract are outlined below.

Following award of the primary technology contract, COHBE engaged an independent third party to provide an independent verification and validation (IV&V) review of all program activities. Through a series of 5 bi-monthly reviews, each with its own detailed assessment report, the IV&V auditor informs the Executive Director on the project's

adherence to scope, schedule and quality requirements and on the management of issues, risks and resources. A summary of the findings is presented to the Board of Directors.

## 11. Health Insurance Market Reforms

The state enabling legislation, Senate Bill 11-200, prohibits COHBE from duplicating or replacing the duties of the Division of Insurance, including rate approval activities. The Division of Insurance regulates health plans in Colorado and is responsible for market reform regulations. Under HHS Rate Review Grant funds, the Division of Insurance has continued to expand its capacity for reviewing health insurance premium rates.

**Regulatory Responsibilities:** The Governor's Office, the Division of Insurance and COHBE held a public webinar on Friday, June 29 to discuss the process of selecting an Essential Health Benefits (EHB) benchmark plan for Colorado. In addition to answering common questions about the process, the webinar provided an introductory overview of a chart that details Colorado's options for an EHB benchmark plan. The Essential Health Benefits work group held two stakeholder meetings in July. Public comments were accepted through August 5. Stakeholders were encouraged to comment on their preferences for a plan, and asked to address the following benchmark objectives:

- Include state-mandated benefits
- Provide coverage in required categories
- Be minimally disruptive to the market
- Promote carrier and consumer participation
- Balance comprehensiveness and affordability

The recommended benchmark plan was Colorado's largest small group plan for 1<sup>st</sup> Q 2012, Kaiser Ded/CO HMO1200D. This plan includes benefits in all ten federally required benefit categories and, as the largest small group plan in Colorado, meets the requirement to reflect benefits in a typical employer plan. The recommendation was sent to CCIO on September 27, 2012.

The DOI, Governor's Office, and COHBE will continue to collaborate on regulations that will be issued by the DOI to clarify EHB requirements for plans in Colorado.

The Division has worked with COHBE and health insurers for many months discussing processes for rate and form filings for qualified health plans (QHPs). Example communications posted include Bulletin No. B-4.47, "Accident and Sickness Prior Approval and File and Use Rate Filings."

**Statutory Reform:** The DOI continues to analyze requirements of Exchange-related federal regulations as they are released to identify potential statutory revisions required for implementation of an Exchange that meets the unique needs of Colorado as required by SB11-200. The state's priority is to make rules consistent inside and outside the Exchange, which has required intensive collaborative efforts and legislation.

The DOI and COHBE have been working together to ensure a healthy and functional insurance marketplace and state-based Exchange through legislative change. In order for Colorado's Exchange to be successful, there must be an even playing field for insurance products sold inside and outside the Exchange. The DOI developed recommended statutory changes that will apply to all health insurance products regulated by the DOI, whether purchased inside the Exchange or not. This will help to alleviate – and in some cases fully eliminate – adverse selection across the insurance market. The goal is to mirror regulatory requirements inside and outside of the Exchange to stabilize the market.

Introduced March 28, 2013, the Alignment Bill – Colorado HB 13-1266 includes three types of changes:

1. Ensuring a healthy insurance marketplace
2. Eliminating red tape and aligning regulations
3. Establishing Essential Benefits and enhancing preventive services

Division staff worked with the Colorado Consumer Health Initiative, Colorado Association of Health Plans, the Colorado Competitive Council (business group), health care providers and many other stakeholders through a collaborative process including gathering input through dozens of public meetings, phone calls, and e-mails. Bipartisan support will help the bill gain momentum as it moves through the legislative process in April and May 2013.

**Comment [MK1]:** Need to update prior to submission – will have resolution by 5/8

**Regulatory Reform:** The DOI will continue its efforts to bring Colorado regulations and regulatory processes into compliance with other requirements that apply to the Exchange. Initial review indicates that all insurance regulations – with the exception of life insurance and Medicare Supplement-specific regulations - will have to be modified to implement the “alignment” legislation discussed above and secure a healthy insurance marketplace and thriving state-based Exchange. Given the short timeframe to get market rules in place before plan filings in early May, this will be the DOI’s top priority after passage of the Alignment Bill.

**Adverse Selection:** Issues of adverse selection within and between the Exchange and outside insurance marketplace have been addressed in the Alignment Bill. Generally speaking, we have aligned rules such that the same rules apply inside the Exchange and in the non-Exchange insurance market.

**Risk Leveling Methods:** For 2014, Colorado has deferred Risk Leveling to the federal government. If the state makes the decision to be responsible for risk leveling in 2015, then the DOI will need to work with the Colorado Governor’s Office and other organizations to obtain technical assistance needed to determine the state’s best approach.

## 12. SHOP:

Colorado has maintained a long term commitment to small business and to promoting a healthy small group market. The Colorado small group marketplace is competitive but has faced many of the challenges that other states are facing, including rising costs and shrinking levels of choice. The Exchange is working with various stakeholders to develop a SHOP Exchange to address these challenges.

**Small group market overview:** The small group market in Colorado is composed of employers who provide employee health coverage through a Colorado-regulated health plan and have 50 or fewer eligible employees in Colorado for half of the year or longer. It also includes employers with one employee, known as Business Groups of One (BG-1s). According to the Division of Insurance annual report released in May 2012, the Colorado small group market covered 256,786 Coloradans with more than \$1.1 billion in written premium in 2011. This is a 4 percent drop from the prior year. The number of employers participating in the small group market dropped 7 percent in 2011. As of December 31, 2011, there were 2,210 fewer small group employers who provided health plans for their employees. Also as of the end 2011, 14 carriers participated in the small group market. And more than 70 percent of small group plans cover businesses with between 1 and 5 employees. The above information and other details are available at <http://www.dora.state.co.us/insurance/legi/2012/legi2012SmallGroupMarket050712.pdf>.

**Market reforms:** Many of the market reforms outlined in current federal legislation have already been implemented in Colorado. Colorado uses an adjusted community rating system with adjustments for age, coverage tier, plan design, and tobacco usage.

**Stakeholder involvement:** The State’s major business organizations have supported Colorado’s path toward establishing a state-based Exchange. Given the strong level of interest from business organizations, Colorado has focused on SHOP development and outreach since early 2011, during the planning grant phase. One of the four work groups created during the planning grant focused exclusively on the SHOP. In May 2012, the COHBE Board established a SHOP Advisory Group to analyze and form recommendations about a variety of questions that the Board must address in coming months. The SHOP Advisory Group has 2 co-chairs and 20 members, including representatives from business organizations, brokers, health plans, non-profit organizations and consumer organizations. The group has issued

recommendations to the COHBE Board about health plan options that should be available for employers to select to enable employee choice.

The SHOP AG group has also discussed the relationship between the Exchange and brokers. COHBE recognizes the importance of brokers to the development of the SHOP. On August 27, 2012, the COHBE Board unanimously adopted the following policy position regarding the relationship between COHBE and brokers and agents:

- COHBE should partner with brokers and agents
- Broker and agent compensation should be comparable inside and outside the Exchange
- Brokers and agents will participate in both the Individual and SHOP Exchanges
- Individuals and small businesses should NOT be required to use a broker or agent

The SHOP Advisory Group also produced a consensus set of recommendations about how the SHOP should be shaped. These recommendations included recognizing the SHOP market as separate and distinct from the individual market. The work group also agreed that the SHOP should generally serve employers from 2-50 lives until 2016 and serve the business groups of one in the individual market.

Significant focus has been placed on ways to limit adverse selection against the SHOP and small group market as a whole. Because of this focus, the SHOP Advisory group recommended that the participation rate inside the Exchange mirror the participation rate outside the Exchange which, today, is 70%. The group also recommended that the required employer contribution rate be the same inside and outside the Exchange which is 50% of premium.

**Outreach Partners:** In April 2013, COHBE received applications from close to 30 entities who would like to help COHBE conduct outreach and enrollments to employers in the small business market throughout the state, including the mountain and rural communities. These include trade associations, agricultural partners, small business development centers and multi-cultural groups. Two Outreach Coordinators have been hired to specifically reach our outlying areas and have had numerous contacts with stakeholders in these areas, including small businesses and Chambers of Commerce.

An announcement for qualified trainers will be going out in the next week for our “Train-the-Trainers program and we expect to hire 30 people to train 600+ brokers and 2,500 health coverage guides.

COHBE’s Small Business Marketplace Manager, Jim Sugden, was hired in August of 2012. Jim brings more than four decades of experience in employee benefit marketing and administration. He served for six years in legislative leadership roles for the Colorado State Association of Health Underwriters and the National Association of Health Underwriters. He has founded and led employee benefit brokerage agencies in Connecticut and Colorado and served as Vice President of Marketing for GBS, Inc., a Colorado-based provider of health insurance quotation software. He has given well received presentations to all five chapters of the Colorado State Association of Health Underwriters. He has also met with and spoken to major brokerages around the state as well as several Chambers of Commerce. He continues to make contact with all stakeholders on a weekly basis.

## B. PROPOSAL TO MEET PROGRAM REQUIREMENTS

### Current Exchange Pathway:

As a national leader in state-based Exchange development, the Colorado Health Benefit Exchange is on track to open in October 2013 and turn Colorado’s vision for a competitive health insurance marketplace set forth in Senate Bill 11-200 into reality. Led by Executive Director Patty Fontneau, an accomplished business leader, COHBE has worked with a broad array of stakeholders to develop and implement a Colorado-specific solution that will increase access, affordability and choice for individuals, families and small employers. COHBE has taken all necessary steps to build the technology and operational processes to provide a new and improved shopping experience for Coloradans seeking health insurance. The

approach has focused on encouraging an open, competitive marketplace that will effectively support individuals, families and small employers across the state, including in rural and disadvantaged communities. COHBE has collaborated closely with the Colorado Department of Health Care Policy and Financing, Division of Insurance and Governor's Office on topics such as essential health benefits, insurance market reforms and the development of the income-based eligibility system for Medicaid and new premium subsidies. Informed by stakeholder advisory groups, the Board considered and made decisions on dozens of policy questions to shape how COHBE will serve Coloradans. Staff and Board members have conducted over 200 presentations across the state, educating thousands of Coloradans. With organization has also developed a creative and comprehensive outreach and education campaign to reach potential customers across the state. This work includes choosing a new name, Connect for Health Colorado, and creating new education and feedback channels to improve planning and implementation. With the support of partners and stakeholders, COHBE became one of the first six states to receive approval from the federal government in December 2012 of our operational plan to open a state-based Exchange for Colorado.

#### Status of Exchange Activities:

- **Legal Authority and Governance:** Colorado completed steps to establish the required legal authority and governance structures in 2011 through the passage of SB 11-200 and governance actions taken by the Board of Directors and Legislative Health Benefit Exchange Implementation Review Committee. More information about the activities in this area can be found in section E.A.2.
- **Consumer and Stakeholder Engagement and Support:** COHBE has implemented a stakeholder consultation plan that provides numerous ways for stakeholders to participate in the planning process of the Exchange. The consultation process includes advisory groups that meet at least monthly and provide input about operational and policy decisions that are taken up by the Board. In 2012, COHBE convened nearly 50 advisory group meetings and seven broad stakeholder meetings to obtain input about a variety of issues, including the choice of an Essential Health Benefits Benchmark Plan and initial shopping screen designs. COHBE has been following a Tribal Consultation Policy established in December 2011 to collaborate with the Ute Mountain Ute and Southern Ute Indian Tribes. COHBE has expanded outreach, through the hiring of additional staff and the launching of a volunteer Speakers Bureau, to individuals, brokers, businesses, health care providers, community-based organizations, consumer advocates, public and private entities and other potential customers. In April 2013, COHBE established a toll-free number for consumers, which will be deployed in May 2013 for Coloradans to use to ask questions and then to use for enrollment assistance when the Exchange opens in October 2013. COHBE has operated a public, informational website since November 2011 and deployed a new website with enhanced features in early May 2013. With extensive stakeholder feedback, COHBE developed the Connect for Health Assistance Network in early 2013. This program combines the navigator and in-person assister programs into one program. The program is designed to provide grants to existing organizations and new partnerships among organizations to provide outreach and in-person assistance to COHBE customers, including small employers. COHBE issued a funding opportunity announcement in February 2013 seeking applications for entities to become Assistance Sites. More than 70 organizations submitted applications in April 2013 and entities are expected to be granted awards in late May 2013. Training and deployment of the Assistance Network entities is expected to occur in late summer 2013. COHBE has also established policies related to partnering with licensed brokers and agents in Colorado to serve COHBE customers. This includes a certification process in accordance with principles established by the Board. A process for working with web-based brokers is under development.
- **Eligibility and Enrollment:** COHBE is working with HCPF and CMS to obtain approval for a Colorado single streamlined application. COHBE is meeting regularly with HCPF to coordinate activities to enable the necessary functions for eligibility and enrollment activities, including the seamless transfer of consumers between Medicaid and Exchange programs. For the first open enrollment period, COHBE will be able to support redeterminations for individuals who have a life-change event or other circumstance that would allow them to re-determine eligibility for assistance programs. For the first open enrollment period, COHBE will use federally-approved notices in various languages that can be sent by email and paper mail, that are at an 8<sup>th</sup> grade reading level, and generated by the technology system or through a manual process. COHBE will have the capacity to conduct electronic and manual verifications through communication with the federal data services hub for the first open enrollment period. COHBE will have the necessary privacy and security protections for accepting,

storing and processing documents received from customers electronically and by mail or fax for the first open enrollment period. COHBE will have the capacity to determine eligibility for QHP or other insurance affordability programs using MAGI and other factors for the first open enrollment period. COHBE will have the capacity to determine eligibility for premium tax credits and cost-sharing reductions through information received from the federal data services hub for first open enrollment period. COHBE will send information for exemptions to the individual responsibility requirement to the federal government for processing. COHBE will have the tools and processes necessary for handling eligibility appeals for the first open enrollment period. COHBE will have the capacity to coordinate with insurance carriers and CMS to process QHP enrollments and terminations, including APTC payments. COHBE will have the capacity to send eligibility and enrollment information to federal agencies for the first open enrollment period. COHBE is working closely with CoverColorado, the state high-risk pool, to transition their customers to the Exchange during the first open enrollment period.

- **Plan Management:** In compliance with SB 11-200, COHBE cannot duplicate the functions of existing state entities. Therefore, the DOI is the designated state agency that will certify and regulate QHPs in Colorado in compliance with federal regulations. The State of Colorado will be using the SERFF system to collect QHP information and facilitate shopping and enrollment. COHBE is collaborating with DOI to facilitate and support all necessary activities related to providing health plans through the Exchange.
- **Risk Adjustment and Reinsurance:** For initial years of operation, the State of Colorado is using the federal risk adjustment and risk corridors programs for insurance carriers.
- **SHOP:** COHBE will have a robust SHOP marketplace for small employers in Colorado, that includes the ability to aggregate payments for employers and to send information electronics to the federal government about enrollments.
- **Organization and Human Resources:** COHBE will have adequate staffing and contractor resources to fully support customers for the first open enrollment period.
- **Finance and Accounting:** COHBE has developed a responsible and fair long-term operational budget that will be sustainable with conservative enrollment targets starting in 2015.
- **Technology:** COHBE will implement technology systems that are compliant with federal guidance for the first open enrollment period and will offer sufficient infrastructure to support all necessary activities and functions. The COHBE system will be enhanced based on IV&V assessments and testing results to ensure full functionality at go-live. The COHBE system will communicate with outside systems, including the federal data services hub, the State of Colorado Medicaid system, SERFF and insurance carriers.
- **Privacy and Security:** in April 2013, COHBE submitted a substantially complete safeguards procedure report to the IRS for approval. This plan will provide the appropriate safeguards to protect customer information, federal tax information, and to protect the technology system from outside attacks.
- **Oversight, Monitoring and Reporting:** COHBE is subject to numerous oversight and monitoring activities to ensure program integrity, including outside audits, IV&V services, regular reviews from the Board Finance Committee and full Board, and reports to the General Assembly.
- **Contracting, Outsourcing and Agreements:** COHBE established procurement policies in early 2012 and continues to improve procedures to ensure responsible contracting activities. Board policies also include additional safeguards for payments made in excess of \$25,000 and for contracts that exceed \$150,000 in total value.

**Status of Early Benchmarks:** COHBE has completed the five early benchmarks identified by the federal government for establishing a state-based Exchange. These benchmarks include assessing operational capabilities to conduct the required Exchange activities, including plan management, financial management, eligibility and enrollment support, coordination with the state Medicaid and CHP systems, consumer engagement and support and the ability to process appeals and eligibility determinations. The progress made in all of these areas has been made possible through close coordination with HCPF, DOI, the Governor's Office, national entities such as the National Association of Insurance Commissioners, and federal partners. Strong focus has been placed on the Customer Support Network, which includes:

- online decision support tools (self-help)
- online chat
- a new customer service center based in Colorado

- a statewide Assistance Network (navigators and assistors)
- certified brokers
- partner entities
- application counselors

Planning for implementation of the customer support network has focused on coordination of the customer service functions and providing quality training and support to ensure that they provide high-quality service to Coloradans. Planning also includes the goal of creating a balance between adequate levels of service, financial sustainability and ongoing efficiency and responsiveness to the demands of our customers.

Planning for providing assistance has been based on state and national research and interviews with organizations that have provided similar services, such as a consumer advocacy group in Massachusetts that operated a consumer hotline related to the state health insurance marketplace that opened in 2007. All of the research shows that customers need and want a wide variety of support both through the website, over the phone and in-person with trusted experts. COHBE has focused on hiring staff and consultants to develop a comprehensive plan for providing a range of customer support tools:

- online decision support tools (self-help)
- online chat
- a new customer service center based in Colorado
- a statewide Assistance Network (navigators and assistors)
- certified brokers
- partner entities

Planning for implementation of the customer support network has focused on coordination of the customer service functions and providing quality training and support to ensure that they provide high-quality service to Coloradans. Planning also includes the goal of creating a balance between adequate levels of service, financial sustainability and ongoing efficiency and responsiveness to the demands of our customers.

**Online tools:** COHBE's shopping portal has been designed to provide customers with a suite of decision-support tools, including an out-of-pocket cost calculator to help customers determine the overall cost to them over the plan year beyond the monthly premium, based on expected usage of benefits and services and health care needs. COHBE will also provide a way for customers to look up their medical providers and sort and filter health plan options based on medical providers. The shopping portal will also allow customers to sort and filter health plan options by monthly premium, cost-sharing tier and health insurance carrier. Quality ratings information will also be provided to help customers make informed decisions.

**Assistance Network:** COHBE developed the framework for the Connect for Health Assistance Network (Assistance Network) to serve Coloradans by providing impartial information and assistance with the application and enrollment experience. The vision for the Assistance Network is to combine the federally-required navigator program and the optional in-person assistance program into one program. The Assistance Network will establish Assistance Sites across Colorado that can deliver local, in-person assistance with purchasing and enrolling in health insurance plans. The program design maximizes and builds on existing expertise and resources that currently provide related health coverage services, or serve specific populations like the uninsured or small businesses. Funding to Assistance Sites will be available through a competitive grants process, although COHBE will also certify Assistance Sites that do not wish to receive funding. COHBE will not distinguish function or policy with respect to Navigators and IPAs but will segregate funding and funding sources. Grantees are expected to be trained in the summer of 2013 and deployed for outreach at least a month before the October 2013 opening.

**Brokers:** Based on policies established by the Board in August 2012 and March 2013, COHBE has developed a certification program and aggressive engagement and communication initiative to educate brokers and agents about the opportunities to work with the Exchange. The certification process will be implemented in the summer of 2013. COHBE

will also offer brokers tools in the technology systems to help them track their clients and maintain supportive relationships.

**Customer Service Center:** The Board voted in August, 2012 to adopt guiding principles, including that there should be access to service offered in multiple languages, that the customer service center should refer people to public programs for which they qualify, and that the customer service center should be staffed by representatives that can educate, provide assistance and answer questions as well as licensed staff who can advise on plan choice. In early 2013, COHBE completed agreements with CGI Group and other consultants to open a Customer Service Center. In April 2013, after a lengthy search process that included 21 site visits, COHBE chose a site in Colorado Springs to open a new Customer Service Center, based on the perspective that Colorado-based service representatives will provide the best support to COHBE customers. The Customer Service Center is expected to open in the summer of 2013. The Customer Service Center is expected to be located in Colorado Springs and staffed with over 100 customer service representatives who are designated in several tiers according to level of training and capabilities. Customer Service Representatives will be trained to handle a wide variety of questions, from general inquiries about the Exchange's mission to detailed eligibility questions and assistance with plan selection. These representatives will undergo extensive training to ensure they can efficiently use the technology platform to drive high performance and support customers at all levels of the shopping, enrollment and purchase process. There will be Spanish speaking Customer Service Representatives to assist consumers, and specially trained Customer Service Representatives to work with Native Americans and Coloradans with disabilities. They will also be trained to coordinate with state agencies (i.e. Health Care Policy and Financing and the Division of Insurance) and health insurance carriers to enable transfers of customer calls when questions come up that are not in the purview of COHBE's responsibilities and expertise. Customer Service Representatives will refer people to other supportive organizations across Colorado depending on their needs. The Customer Service Center will use a suite of technology tools to ensure coordinated and quality customer support, including a computerized phone system, customer relationship management software and the ability to perform actions on behalf of the customer while the customer is logged into the shopping portal. The technology will be implemented in a highly secure environment and has been designed to be flexible to change according to the customer needs that will be presented in the future.

COHBE estimates that about 86 percent of customers will purchase health plans online with the assistance of online tools and guidance over the phone and in-person through Assistance Sites and/or with certified brokers. The remaining 14 percent of customers are expected to sign up for coverage through paper applications.

To track interactions with customers and to measure performance, COHBE is establishing a broad set of metrics that will be tracked using sophisticated technology, including a Customer Relationship Management system. Training will also be designed and implemented consistently across operations, including the Customer Service Center, Assistance Sites, certified brokers, outreach and education campaigns, and with partner entities.

**Appeals:** The Board approved guiding principles in July 2012, that include implementing a process to handle appeals in the areas in which the Exchange has control, directing people to the programs for which they are eligible, building a technology solution that will facilitate a "no wrong door" approach to coverage options, adopting best practices to ensure the verification and appeals process is automated as much as possible, and defining a process for individuals and employers to verify their information and appeal eligibility decisions. Staff members are developing a detailed approach, based on those principles, for handling appeals and coordinating with other entities that also process appeals. Following Board policy, an appeal is an application for review by a higher authority, or a formal question as to the correctness of a ruling or decision. The process of clarifying and verifying information provided by the consumer or employer is not considered an appeal; it is considered part of the normal verification process that COHBE will perform prior to enrollment. COHBE plans to offer an informal resolution process in addition to the formal appeals process.

Under federal law, COHBE must allow for individuals to exercise their right to appeal an eligibility decision and provide clear instructions about how to file an appeal. Furthermore, additional regulations clarify the appeal process that must be available to employers and employees in the SHOP exchange. The Exchange technology system will be able to

accommodate appeals filed online. The back-office is prepared to accept appeals when they are sent by mail. COHBE will not get involved in appeals related to failure to pay for coverage or failure to pay a claim; this will be handled between the customer and insurance carrier. Moreover, the Exchange will not be involved with appeals for state medical programs; this will be handled through the existing Medicaid appeals process. Exchange staff will be prepared to serve in a liaison role, primarily through its customer service center, with state agencies and carriers if a person expresses a complaint, concern or decides to appeal a decision that does not fall under COHBE's control.

COHBE is working closely with HCPF to develop a coordinated approach for handling eligibility appeals. The Exchange appeals team will be prepared to gather verification documents, applications and review case files. The Exchange will implement an informal resolution process for customers who file appeals to utilize if they choose to do so. This path will hopefully resolve a high number of cases before they are escalated to a higher authority for review and final decision. COHBE is evaluating staffing levels and options as to who should serve as the authority. The goal is to ensure that the process is fair and objective.

COHBE will distribute notices to customers according to the customer's preferred communication channel – email or in letter – to educate customers about a decision or change that has impact to the individual or an employer. The Exchange is working with HCPF to coordinate content in the notices, communicate decisions clearly and concisely and ensure appropriate regulations are cited. The notices are also undergoing review by a third party for usability and access in order to be accessible to people with disabilities and easy to understand. The initial eligibility determination will be provided to the customer during their online application process. The result of the verification and appeals processes will be provided to the customer through a notice.

**Complaints:** In addition to the formal appeals process, in August 2012, the Board adopted a series of guiding principles to guide staff as they develop policies and procedures for handling complaints. Those principles include creating a formal process for accepting complaints through a standardized form and for reviewing and addressing all submitted complaints, addressing complaints in a timely manner, handling complaints within its jurisdiction, serving as a liaison to other organizations when another party can address the issue more affectively, recording all complaints submitted through the official intake, training staff and customer service representatives about complaint management training. These complaints will be documented in a standard format and reviewed in a timely fashion by a representative from the Customer Service Center or Exchange staff. Clarification questions or expressing need for assistance during the shopping, enrollment and purchasing process is not considered a complaint and will be handled by the Customer Service Center or FAQs on the website.

The Exchange System and back-office are prepared to allow customers to express formal grievances online, through paper, or with a customer service representative. If the grievance does not fall within COHBE's control or is not directly related to Exchange services, staff will help direct the person to the organization that can best address the person's complaint. Complaints about claim payment would be filed with the carrier and if the complaint was not handled appropriately by the carrier, further action can be taken by filing a complaint with the Division of Insurance.

In the IT arena, the COHBE Board voted in March 2012 to establish minimum interoperability with the state Medicaid/CHP+ system, including the shared use of an eligibility determination system and sharing of customer data. Since then, COHBE and partner entities have worked closely to build technology systems that will allow Coloradans to apply for health coverage through the COHBE or State websites without re-entering their information. COHBE has been meeting regularly with HCPF and OIT to identify technology, business process and organizational responsibilities which would leverage existing Medicaid capabilities and state data sources. COHBE and the State performed an IT gap analysis prior to the January 2012 issuance of an RFP for technology services and the state's Medicaid funding requests. The three organizations evaluated various shared eligibility service and support models that would minimize cost, provide a seamless consumer experience and meet the intent of SB11-200. The agreed upon solution was reflected in COHBE's Exchange RFP and the state's Medicaid funding requests, i.e. PAPD and IAPD. In early 2013, COHBE, HCPF and OIT collectively decided for COHBE to build the portion of the eligibility system related to access to new federal financial assistance to reduce the cost of health insurance and for HCPF to build the system that determines eligibility for

Medicaid and CHP+. Customers will apply for coverage through COHBE or through the state Medicaid website, PEAK, and the systems will share information. There are plans to evaluate and continue to improve the customer service experience.

In the area of actuarial and market analysis, COHBE has collected several reports with this data between 2011 and today, including from national health care economics and actuarial experts, state partners, and from respected state research entities and market data firms. More information about the research can be found in section E.A.1. Based on insurance carrier filings submitted in early May 2013, xxxx carriers indicated an interest in offering health plans in Individual Exchange and xxx carriers indicated an interest in offering health plans in the SHOP Exchange. These include XXXX platinum plans, XXXX gold plans, XXXX silver plans, and XXXX bronze plans.

**Comment [MK2]:** Need to update with DOI data – info will be available between 5/8 -5/10.

Stakeholder and Tribal consultation activities were established in late 2011 and will continue going forward, with steps to enhance the process and adjust based on the stages of the project implementation. COHBE has committed to annual Tribal Consultation meetings on the reservations of the Ute Mountain Ute and Southern Ute Indian Tribes, as well as sending updates on a monthly basis about outreach and planning activities to Tribal Leaders. Advisory Groups continue to meet regularly to provide input to the planning and implementation process, and to identify avenues for improvement going forward.

COHBE has completed a long-term operational cost analysis and developed a sustainability plan that is responsible and fair and allows for the organization to sustain operations with minimal risk or disruption to the overall health insurance market.

**Exchange IT System:** COHBE is implementing an independent Exchange system comprised of numerous integrated Commercial-Off-the-Shelf software applications to meet the requirements of eligibility and enrollment, plan management and financial management. The Exchange system will have minimum interoperability with the State’s Medicaid eligibility system. The State Medicaid system will perform Medicaid/CHP+ eligibility determinations via web services and provide eligibility responses to the Exchange. The Exchange and the State system will use streamlined eligibility applications. The systems will inter-operate by providing consumers with a “no wrong door” solution; regardless of which system a consumer enters the consumer will receive an eligibility determination for State medical assistance and/or QHPs and either system will transfer the consumer to the appropriate system (Exchange or State) to perform plan selection (as applicable) and enrollment processes. A guiding principle in system design has been that a consumer only enters application data once; this data is shared among Exchange and state systems. As approved by CMS in April 2013, both systems interface with the FDSH to verify eligibility information. The Exchange interfaces with SERFF for plan loading. As of late-April implementation of the above functionality is approximately 70% complete.

As the Exchange is a separate system and not part of the State Medicaid system, COHBE was informed by CCIIO in early 2012 that Medicaid’s Seven Standards and Conditions, while best practices, were not applicable to COHBE. However, COHBE’s Exchange system does meet most of the standards and conditions. Specifically: 1) COHBE’s solution is being implemented using a modular approach with most exchange functionality provided by existing commercial software applications integrated together via a service-based architecture including a module rules engine; 2) the prevalence of commercial software applications (many of which are being used by other states) is by definition re-use; 3) COHBE is using standard transmission protocols for carrier interfaces; 4) COHBE is implementing a robust data warehouse and business intelligence capability to support analytics and reporting; and 5) COHBE’s exchange solution inter-operates with the State’s Medicaid eligibility system.

#### **Organizational Structure:**

The organizational structure for COHBE is designed to acquire sufficient resources for successful project implementation and then to transition into a high-efficiency structure for ongoing operations. The aggressive schedule necessitates a focus on securing a team of consultants with specialized technical expertise to support planning and implementation of

the new technology systems and back-office operations. Financial and regulatory compliance expertise also is necessary to ensure program integrity while implementation costs are at their peak. Consulting and technical resources will shrink substantially after the initial operation period, allowing the organization to shift to a more stable, employee-based structure. Primary functions of the ongoing organizational structure include finance and human resources, operations, information technology and communications and outreach.

The finance and human resources function will be staffed to manage the long-term sustainability of the organization including compliance and risk management. The operations function is designed to support an operationally-efficient organization by managing and improving day-to-day functions and responsibilities. This includes oversight of the Customer Service Center, Assistance Network, certified brokers, back-office operations, health plan management and analysis of small group and individual market enrollment. The information technology function is designed to focus on the ongoing support and maintenance of the Exchange technology infrastructure in addition to developing and executing upon an overall technology strategy. The communications and outreach staff will focus on continued stakeholder engagement, dissemination of information to the public, and efforts to maintain and increase enrollments statewide.

**Coordination with state and federal entities:** COHBE will continue to have regular calls and meetings with the federal government and key state partners to collaborate on activities to ensure successful operations. This partnership includes undergoing the required reviews from the federal government, weekly phone calls with designated officers assigned to work with Colorado, and weekly meetings HCPF and DOI, just as has been occurring for more than a year.

**Reuse, sharing and collaboration:** COHBE intends to continue efforts to share our knowledge base and system capabilities with other states. This includes participating in weekly State-Based Exchange forums and meetings to share ideas, vet issues and solutions and benchmark progress.

**Financial integrity:** COHBE has adopted a number of strategies to ensure financial integrity and prevent fraud waste and abuse. These strategies include:

- Continued Board oversight and review of financial and operational plans
- Implementation of a new accounting system providing automated internal system controls
- Implementation of an Organizational Risk Management Program
- Implementation and adherence to Fraud Waste and Abuse policies and procedures
  - Oversight of Technology & Service Contract

COHBE and its CFO will continue to strengthen financial oversight mechanisms and will comply with reporting requirements related to expenditures of grant funds. The COHBE Board will continue to receive quarterly updates about financial operations and the Board Finance Committee will continue to meet monthly to review finances and address future needs and expenditures. State legislation also requires reporting about operational and financing activities to the Legislative Health Benefit Exchange Implementation Review Committee.

COHBE is implementing a new financial accounting system, Intacct. Intacct is designed specifically for the not-for-profit industry. It provides for tracking multiple funding sources and more robust reporting, which will reduce manual processes needed as financial management becomes more complex. Intacct also has built in internal system controls, such as invoice and contract approvals, to prevent fraud waste and abuse rather than relying upon manual controls. Implementation will be complete by July 2013. Independent audits are expected at least on an annual basis.

COHBE has implemented an Organizational Risk Management Program with the goal of actively identifying and tracking potential risks as well as developing and implementing mitigation and contingency plans if necessary. COHBE's leadership meets monthly to review and discuss these topics. To sharpen its focus, COHBE tracks implementation risks

separately from business risks. Key business risk categories include financial, regulatory, operations, security and infrastructure.

COHBE has also developed policies that provide a framework to address fraud, waste and abuse. The processes and procedures to ensure proper internal controls, training, testing, and notifications are in place both internally and with other involved stakeholders are being developed and implemented to prevent fraud waste and abuse. These processes and procedures address the following topics:

- Internal Financial Processes
- Technology Vendor Contract Monitoring
- Health Plan Compliance with False Claims Act
- Subscriber Data Integrity
- Privacy and Security

COHBE will monitor and audit contractual performance to ensure the organization is receiving the full value of the contractual work. In addition, an extensive PMO review of deliverables status, implementation risks, milestone completion and implementation is conducted weekly with the senior technical leadership of COHBE and its primary vendor.

**Challenges with Reaching Milestones:** While COHBE has successfully completed plans to implement a variety of tools and functions to serve Coloradans during the first open enrollment period, the organization has faced challenges with including all desired functions given the aggressive time frame. The primary issue has been short systems development life cycle because of the tight deadlines. This grant application includes a request for funds to allow COHBE to implement enhanced functionality for the second open enrollment period and beyond so that COHBE can automate more functions, reduce operational costs and improve services to customers. Enhancements for the second year include accommodating web-based brokers, implementing more sophisticated online consumer-support tools, and enabling large-scale eligibility redeterminations of eligibility for affordability programs. COHBE is developing a process for change management as the organization reaches full capacity. A strong focus will be placed on creating operational efficiencies and enhanced support where needed for existing and potential customers.

**SHOP Strategy:** SB 11-200 places a strong emphasis on meeting the needs of businesses in Colorado and COHBE is committed to continuing its initiatives to develop a successful SHOP. COHBE is implementing a statewide outreach campaign to attract small employers to the marketplace, and to partner with the maximum number of brokers and agents to assist employers and drive enrollment. In April of 2013, COHBE reiterated its commitment to provide choice and premium payment aggregation as part of its value proposition to the small business market. In accordance with Board direction, COHBE will give employers four choices when they are considering plans to provide to their employees:

1. One Carrier, One plan
2. One Carrier, All Plans
3. 2 Adjacent Metal Tiers, All Carriers
4. One Metal Tier, All Carriers

These multiple options are not currently available to employees in the small group market and could allow employers to offer employees dozens of health plan options. In addition, we will provide aggregate premium billing services so that employers can make one payment to us and COHBE's back office will distribute the correct premium amount to each carrier.

COHBE is expecting a competitive marketplace to give employers numerous options to choose from. Because COHBE has outlined and implemented several policies including equal broker compensation, participation rates, and employer contribution rates that will minimize adverse selection and increase competition.

**Operational Implementation:** During the second half of 2012, COHBE staff consulted with carriers, brokers, advisory groups and outside consultants regarding broker/agent appointment and compensation models and their potential effect on COHBE’s operations and sustainability. Based on that research, COHBE has moved to operationalize the Board’s policy in the following ways:

- Producers who become certified to sell through COHBE will be required to function in a broker capacity representing all health plan carriers and all products offered on the Exchange that market through brokers. This approach is consistent with COHBE’s board adopted policy of minimizing “steerage” and encouraging certified brokers and licensed customer service staff to present health plan options to prospective clients in the most unbiased way possible.
- Participating brokers will receive training and certification in both Individual and SHOP exchange operations in an effort to offer prospective exchange clients the broadest possible array of plan options for which they may be eligible.
- Health plan carriers that use brokers will be required to appoint brokers that have met all certification requirements of the Exchange. Brokers will be required to work with carriers to ensure that they have obtained the required appointments. Where necessary, COHBE will work with brokers and carriers to mediate carrier actions to deny or terminate a certified producer’s appointment. A review committee is currently being formed to help with that mediation process.

**Broker Certification and Outreach:** COHBE, along with its partners, is currently developing a robust training program which will consist of 20 hours of in-person and webinar training. These modules consist of market reforms, broker tools and enrollment strategies, eligibility rules and APTC, as well as training on the actual COHBE technology. Brokers are already receiving newsletters and other communication through our CRM and we will continue our outreach.

A customer service center is being set up to serve individuals, small employers, and employees. Brokers and health coverage guides will have their own dedicated line so that they may better serve their clients. They will also have access to our Learning Management System where they can receive information on updates to system functions, broker tools, plan information from the carriers, updates on regulations and any other information that will be helpful to their service and sales functions.

## F. Work Plan

*NOTE: Items in italics were completed under a previous FOA.*

F.1. Legal Authority and Governance			
Activity	Milestone	Completion date	Responsible party
<ul style="list-style-type: none"> <li>• <i>Secure enabling legislation, implementing regulations, or other mechanisms that provide the legal authority to establish and operate an Exchange.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Draft enabling legislation</i></li> </ul>	05/11 (complete)	State Legislature
	<ul style="list-style-type: none"> <li>• <i>Introduce Exchange enabling legislation</i></li> </ul>	05/11 (complete)	
	<ul style="list-style-type: none"> <li>• <i>Hold public hearings on Exchange</i></li> </ul>	05/11 (complete)	
	<ul style="list-style-type: none"> <li>• <i>Obtain the necessary legal authority to establish and operate an Exchange and provide for establishment of governance and Exchange structure</i></li> </ul>	05/11 (complete)	
	<ul style="list-style-type: none"> <li>• <i>Work with stakeholders to answer key questions about the Exchange</i></li> </ul>	05/11 (complete)	
<ul style="list-style-type: none"> <li>• <i>Establish Exchange governance structure</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Approval of enabling legislation SB11-200</i></li> </ul>	06/11 (complete)	Governor’s Office, State Legislature
	<ul style="list-style-type: none"> <li>• <i>Appoint a governing board and a management team sufficient to oversee the operations of the Exchange.</i></li> </ul>	07/11 (complete)	



F.1. Legal Authority and Governance			
Activity	Milestone	Completion date	Responsible party
2. Establish, implement, and document a Tribal government consultation plan.	<ul style="list-style-type: none"> <li>Completed Tribal Consultation Plan</li> <li>Held tribal consultation meetings with Ute Mountain Ute and Southern Ute Indian Tribes</li> <li>The Lieutenant Governor and Exchange staff has and will continue to engage leadership of Tribes in Colorado directly regarding plan and system design.</li> <li>Continue discussions with Ute Mountain Ute and Southern Ute Indian Tribes</li> </ul>	<p>12/11 (complete) 05/12 (complete)</p> <p>Ongoing</p> <p>Ongoing</p>	Director of Communications and Outreach
3. Develop outreach and education plan and provide materials to the public.	<ul style="list-style-type: none"> <li>Launched public website, www.getcoveredco.org, to provide information about activities and obtain feedback</li> <li>Launch new website ConnectForHealthCO.com and establish Customer Service Center and online knowledge base to support calls from interested consumers. Include capability to track and respond to Frequently Asked Questions. Continue to develop library of materials to support consumers.</li> </ul>	<p>11/11 (complete)</p> <p>05/13 – 9/13</p>	Director of Communications and Outreach, Executive Director
4. Launch Exchange branding and media/marketing campaign.	<ul style="list-style-type: none"> <li>Selected marketing firm. Developed performance metrics and evaluation plan. Designed a media strategy and other information dissemination tools.</li> <li>Began training and launch of volunteer Exchange Speaker's bureau.</li> <li>Developed brand, identity, messaging, logo, and outreach campaign and media message. Hired and trained coordinators to focus on Western Slope and Southeastern Colorado and Hispanic communities.</li> <li>Launched new website and marketing campaign with new name, Connect for Health Colorado.</li> <li>Intensify outreach and education campaign; continue to refine messaging based on response and feedback from consumers. Develop plan to develop and maintain knowledge base/FAQ.</li> <li>Review efficacy of marketing strategy and make adjustments as needed. Collaborate with partners to conduct targeted outreach to communities and groups that were not adequately reached during enrollment.</li> </ul>	<p>12/12 (complete)</p> <p>04/13 (complete)</p> <p>05/13 (complete)</p> <p>05/13 (complete)</p> <p>06/13</p> <p>Ongoing</p>	Director of Communications and Outreach, Executive Director
5. Provide culturally and linguistically appropriate outreach and educational materials and auxiliary aids and services to people with disabilities	<ul style="list-style-type: none"> <li>Selected vendor to perform usability and 508 compliance testing.</li> <li>Hired bilingual Outreach Coordinator to conduct outreach with Hispanic communities and in southern Colorado (03/13)</li> <li>Performed usability testing/508 compliance verification of website and notices. Selected Spanish language translation partner.</li> <li>Translate website, notices, marketing materials and other educational information. Review translation to verify that it is correct, culturally accurate, at the appropriate reading level and in line with the Exchange brand and mission.</li> <li>Monitor outreach success to diverse communities and people with disabilities. Refine the tools and processes to improve efficacy.</li> </ul>	<p>12/12 (complete)</p> <p>03/13 (complete)</p> <p>05/13</p> <p>08/13</p> <p>Ongoing</p>	Director of Communications and Outreach, Executive Director

F.1.Legal Authority and Governance			
Activity	Milestone	Completion date	Responsible party
6. Provide Customer Service Center support	<ul style="list-style-type: none"> <li>Developed high level requirements for Customer Service Center, provided estimates for call volumes and call times, established preliminary service levels for call handling and wait times. Publish RFP for Customer Service Center and technology vendor.</li> <li>Customer Service Center resourcing vendor selected.</li> <li>Selected Customer Service Center design and implementation vendor. Began development of Customer Service Center processes, protocols and scripts including the ability to handle Spanish language calls and calls requiring special handling or assistance for disabled persons. Defined online support capabilities. Estimated number of Customer Service Center resources needed over time based on expected call volumes, call handle times and technology improvements.</li> <li>Hired Customer Service Director. Selected center site. Developed processes to support handoff between Exchange and Medicaid sites. Agreed training curriculum, delivery method, Train the Trainer Approach, certification, and reporting methods.</li> <li>Signed Customer Service Center lease. Launched 1-800 number and started accepting calls using temporary staff.</li> <li>Begin hiring Customer Service Center staff</li> <li>Network, call handling and service rep tools and technologies deployed and tested.</li> <li>Begin Customer Service Center training. Utilize both web-based and classroom training.</li> <li>Complete testing of Customer Service Center tools and processes.</li> <li>Launch Customer Service Center/transition calls from temporary site to permanent site to support all Exchange functions.</li> <li>Monitor Customer Service Center activities for opportunities to improve efficiencies and level of service.</li> </ul>	<p>01/12 (complete)</p> <p>06/12 (complete) 02/13 (complete)</p> <p>04/13 (complete)</p> <p>05/13 (complete)</p> <p>07/13 08/13</p> <p>08/13</p> <p>09/13 10/13</p> <p>Ongoing</p>	ED, Chief Operating Officer and Customer Service Director
7. Launch web site	<ul style="list-style-type: none"> <li>Selected URLs</li> <li>Launched initial COHBE website – <a href="http://www.getcoveredcolorado.org">www.getcoveredcolorado.org</a></li> <li>Designed new informational web site to align with new brand strategy and increased educational needs. Launched new website at final location <a href="http://www.connectforhealthCO.com">www.connectforhealthCO.com</a>. This will be the shopping site after go live.</li> <li>Monitor web site activity and perform site upgrades to improve performance, usability and security.</li> </ul>	<p>07/12 (complete) 11/11 (complete)</p> <p>05/13 (complete)</p> <p>Ongoing</p>	Director of Communications and Outreach, Executive Director

F.1. Legal Authority and Governance			
Activity	Milestone	Completion date	Responsible party
8. Navigator program (Assistance Network)	<ul style="list-style-type: none"> <li>Conducted preliminary planning activities related to the Navigator program including developing high level milestones and timeframes for establishment of the program</li> <li>Hired Navigator coordinator</li> <li>Defined technology and process requirements for Navigators. Began developing policies and procedures for Navigators / Assistors. Determined organizations in the State that would qualify to function as Navigators/ Assistors. Assessed the role of HCPF county workers to determine if they are special types of Navigators/Assistors or if they required different access.</li> <li>Clarified role of Navigators/ Assistors. Selected name for Navigator program in Colorado (Assistance Network). Developed requirements for Health Coverage Guides. Published RFP to select organizations across Colorado to be Navigator entities.</li> <li>Held 3 public stakeholder meetings to discuss Assistance Network Program (navigators and in-person assistors)</li> <li>Received 70+ proposals from organizations in Colorado who are interested in becoming Navigator Entities.</li> <li>Review and select organizations to provide Navigator / Assistor services. Begin to establish contracts with participating organizations.</li> <li>Hold grantee conference to launch program. Begin Health Coverage Guide training and certification activities.</li> <li>Test Navigator functions prior to go-live. Develop communication protocol to support Health Coverage Guides with system alerts and training updates after go-live. Begin on-boarding Navigator entities.</li> <li>Ongoing monitoring of Health Coverage Guide program and individual health coverage guide entities and individuals to verify efficacy and adherence to training and regulations. Update processes and training materials as needed to improve performance. Determine renewal process and identify ongoing funding sources for Grantees.</li> </ul>	<p>12/11 (complete)</p> <p>06/12 (complete)</p> <p>07/12 – 11/12 (complete)</p> <p>01/13 – 03/13 (complete)</p> <p>02/13 – 04/13 (complete)</p> <p>04/13 (complete)</p> <p>05/13</p> <p>06/13</p> <p>08/13</p> <p>Ongoing</p>	Executive Director, Chief Operating Officer, Navigator Coordinator

F.1. Legal Authority and Governance			
Activity	Milestone	Completion date	Responsible party
9. Support Brokers and agents	<ul style="list-style-type: none"> <li>Conducted preliminary planning activities related to the use of Brokers on the Exchange including developing high level expectations and strategies.</li> <li>Established SHOP advisory group and made certain that the SHOP advisory group (and others) included strong representation from the Colorado broker community.</li> <li>Hired SHOP manager</li> <li>Defined technology and process requirements for Brokers and agents. Began developing policies and procedures for Brokers including discussions with Carriers about Broker assignments, certification and commission. Extensive outreach to the Broker community.</li> <li>Board voted to adopt guiding principles that state that COHBE will partner with brokers and agents and that compensation will be comparable inside and outside the Exchange, that brokers/agents can participate in both Individual and SHOP Exchanges, and that employer are NOT required to use brokers or agents.</li> <li>Agreement by COHBE Board to support dedicated carrier sales force and facilitated enrollment in October 2013.</li> <li>Kicked off Broker recruitment program. Defined target for number of Brokers recruited to support initial open enrollment activities.</li> <li>Begin Broker training and certification activities. Test Broker functions and tools prior to go-live. Develop communication protocol to support Brokers with system alerts and training updates after go-live. Begin on-boarding Brokers.</li> <li>Ongoing monitoring agencies and brokers to verify efficacy and adherence to training and regulations. Update processes and training materials as needed to improve performance. Develop improved tools and technologies to support web brokers and to provide for improved proposal tools.</li> </ul>	<p>12/11 (complete)</p> <p>05/12 (complete)</p> <p>07/12 (complete) 07/12 – 11/12 (complete)</p> <p>08/12 (complete)</p> <p>04/13 (complete)</p> <p>05/13 (complete)</p> <p>08/13</p> <p>Ongoing</p>	Executive Director, Chief Operating Officer, SHOP manager

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
1. Use of approved Single Streamlined application for Individual and SHOP Exchanges.	<ul style="list-style-type: none"> <li>Board voted to use the baseline application data set forth in federal guidelines with the addition of gender neutral identifiers and inclusive relationship terminology, and to clarify what is needed to properly screen for eligibility</li> <li>Provided comments to CMS on single streamlined application data fields.</li> <li>Received final single streamlined application specifications from CMS and incorporated them into development schedule.</li> <li>Reviewed single streamline application specifications with HCPF partners and identified changes to CMS application that are required to support Colorado health benefits programs. Reviewed requested changes with CMS.</li> <li>Receive approval to requested changes from CMS</li> <li>Test application functions prior to go-live.</li> </ul>	08/12 (complete)	Board, Executive Director, Implementation Lead, Technology Vendor
		11/12 (complete)	
		01/13 (complete)	
		03/13 – 04/13 (complete)	
		05/13 (expected) 07/13	
2. Coordination strategy with other insurance affordability programs	<ul style="list-style-type: none"> <li>Developed high level business process documentation to reflect current Medicaid processes and develop interoperability options for the Exchange.</li> <li>Board voted to establish minimum interoperability with the state Medicaid/CHP system, including the use of a shared eligibility determination system and sharing of customer data.</li> <li>Collaborated with HCPF on procurement of Exchange technology vendor and segregation of responsibilities between HCPF and COHBE to enable 'no wrong door' for eligibility.</li> <li>Hired project coordinator to work with HCPF, OIT and COHBE on joint development activities.</li> <li>Drafted agreement with HCPF that identified roles and responsibilities related to eligibility determinations, verification and enrollment; identification of approach to dealing with integration activities and issues; strategies for compliance with CMS rules and guidelines, business processes between COHBE and HCPF and allocation of costs. Developed interface specifications for key integration points between systems.</li> <li>Hired Director of Partner Engagement to oversee shared development, implementation and operational activities.</li> <li>Agreement from CMS for COHBE and HCPF to develop segments of the eligibility rules in separate Rules Engines.</li> <li>Developed joint HCPF and COHBE interoperability process flows. Participated in joint HCPF / COHBE design consult with CMS/CCIIO. Participated in development of training materials to support HCPF eligibility workers.</li> <li>Signed MOU between COHBE and HCPF.</li> <li>Complete development of business processes to support appeals and eligibility for complex mixed households. Collaborate on testing of Exchange and HCPF interfaces.</li> <li>Complete development of procedures, training materials and cross training to support consumer assistance requirements across COHBE and HCPF. Coordinate launch of Exchange open enrollment period and modifications to State Medicaid systems.</li> <li>Ongoing support of interoperability agreements and technology/process improvements to increase operational efficiencies and automate handoffs. Align release schedules and plans.</li> </ul>	02/12 (complete)	Board, Executive Director, Individual Exchange Manager, Director of Partner Engagement
		03/12 (complete)	
		01/12 – 06/12 (complete)	
		10/12 (complete)	
		10/12 – 12/12 (complete)	
		02/13 (complete)	
		03/13 (complete)	
		02/13 – 05/13 (complete)	
		07/13 08/13	
		09/13	
Ongoing			

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
3. The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees, including applicants and enrollees who have disabilities or limited English proficiency, through all channels (in person, online, phone).	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including manual redeterminations. Wireframes and storyboards for eligibility applications complete.</li> <li>Development of eligibility application complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with state and federal components. Usability and 508 compliance testing of screens complete</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete. Spanish language translation of screens complete and ready for review. Paper application format defined and available for translation. Vendor to produce paper applications identified.</li> <li>Launch Exchange system including capability to accept and process applications and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	09/12 (complete)	Technology Lead, COO and Vendor
		04/13 (complete)	
		06/13	
		08/13	
		10/13	
		Ongoing	
4. The Exchange has the capacity to send notices including notices in alternate formats and multiple languages. Process responses in-person, online, via email and over the phone.	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Preliminary list of notices identified.</li> <li>Completed system design for E&amp;E components including notices. Agreed list of notices and process for development and review of notice text agreed.</li> <li>Notices English language text developed, approved by Exchange staff and reviewed by 508 compliance and usability vendor. Development of eligibility application and notices complete. User acceptance test scripts complete – including verification of notices and notice triggers. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with state and federal components.</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete. Spanish language translation of notices complete and ready for review. Test of fulfillment center's ability to send outbound paper notices complete. Test ability of Customer Service Center reps to manually trigger notices.</li> <li>Launch Exchange system including capability to send notices.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation of notices. Develop requirements and technology to support periodic 'bulk' redeterminations and the creation of year-end tax credit statements for individuals and the IRS.</li> </ul>	09/12 (complete)	Technology Lead and Vendor
		04/13 (complete)	
		06/13	
		08/13	
		10/13	
		Ongoing	

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
5. The Exchange has the capacity to conduct verifications and is able to connect to data sources such as the Data Services Hub and other sources, as needed.	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including manual and automated verification steps. Wireframes and storyboards for eligibility applications complete – showing manual and automated verification steps.</li> <li>Approval to test with the FDSH in Wave 3. Completion of connectivity test.</li> <li>Development of eligibility application complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include interoperability with state and federal components and ability to manually verify application information prior to completion of eligibility process.</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to manually and automatically verify eligibility information.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	<p>09/12 (complete)</p> <p>04/13 (complete)</p> <p>05/13 (complete)</p> <p>06/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead and Vendor
6. Privacy, storage and upload capabilities.	<ul style="list-style-type: none"> <li>Selected technology for data storage</li> <li>Finalized document management requirements</li> <li>Defined security and storage requirements</li> <li>Submitted System Security Plan (SSP) and Safeguard Procedure report (SPR)</li> <li>Develop manual and automated tools and procedures to support SSP and SPR</li> <li>Perform security test</li> <li>Develop operational procedures to monitor storage capabilities and provide notifications to system administrators when storage is nearing capacity.</li> <li>Ongoing monitoring of security procedures to improve security.</li> <li>Ongoing monitoring of upload capabilities and the addition of new capabilities to improve performance.</li> </ul>	<p>07/12 (complete)</p> <p>10/12 (complete)</p> <p>11/12 (complete)</p> <p>04/13 (complete)</p> <p>02/13 – 08/13</p> <p>06/13</p> <p>08/13</p> <p>Ongoing</p> <p>Ongoing</p>	Technology Lead, Security Lead, Vendor, COO
7. The Exchange has the capacity to determine individual eligibility for enrollment in a QHP through the Exchange and for employee and employer participation in SHOP. In addition, the Exchange has the capacity to assess or determine eligibility for Medicaid and CHP based on MAGI.	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including eligibility for individuals and employers to use the Exchange and to work with HCPF systems to determine eligibility for Medicaid and CHP programs based on MAGI and other factors. Wireframes and storyboards for eligibility are complete.</li> <li>Development of eligibility application for individual Exchange and employer eligibility on SHOP Exchange complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, interoperability with state and federal components and employer eligibility verification.</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to accept and process applications and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	<p>09/12 (complete)</p> <p>04/13 (complete)</p> <p>06/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead and Vendor

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
8. The Exchange has the capacity to determine eligibility for APTC and CSR including calculating maximum APTC.	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including manual redeterminations. Wireframes and storyboards for eligibility applications complete. Agreement on use of FDSH max APTC service to calculate max APTC.</li> <li>Development of eligibility application complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include verification of maximum APTC calculation and eligibility for CSR based on second lowest priced silver plan and family/individual FPL.</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to accept and process applications and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	<p>09/12 (complete)</p> <p>04/13 (complete)</p> <p>06/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead and Vendor
9. The Exchange has the capacity to independently send notices, as necessary, to applicants and employers that are in plain language, address the appropriate audience and meet content requirements.	<ul style="list-style-type: none"> <li>As part of testing of ability for system to automatically generate notices, user acceptance testing of eligibility application will include a test of the ability of Customer Service Center reps and other COHBE personnel to manually trigger notices that meet usability, language preference and preferred delivery method. These notices should meet not include any restricted HIPAA or FTI information and should be able to be viewed by the recipient online on their Exchange account.</li> </ul>	08/13	Technology Lead and Vendor
10. Eligibility for individual responsibility requirement and payment exemptions	<ul style="list-style-type: none"> <li>Established Individual Exchange Advisory Group to assist in policy decisions related to exemptions, appeals and other policy items related to the Individual Exchange.</li> <li>With input from advisory groups, developed recommendations for use of the federal service for exemptions from individual mandate.</li> <li>The Board voted to use the federal service for certifying exemptions from the individual mandate in its initial years of operation and to review the decision after the initial operating period.</li> <li>Develop tools and processes to accept exemption requests and pass them to the federal service.</li> <li>User acceptance testing of exemption application complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to accept and process exemption applications.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation of exemption process.</li> </ul>	<p>05/12 (complete)</p> <p>06/12 (complete)</p> <p>06/12 (complete)</p> <p>07/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead and Vendor

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
11. The Exchange has the capacity to support the eligibility appeals process and to implement appeals decisions, as appropriate, for individuals, employers and employees	<ul style="list-style-type: none"> <li>The Board voted to adopt guiding principles that include implementing a process to handle appeals in the areas in which the Exchange has control, directing people to the programs for which they are eligible, building a technology solution that will facilitate a “no wrong door” approach to coverage options, adopting best practices to ensure the verification and appeals process is automated as much as possible, and defining a process for individuals and employers to verify their information and appeal eligibility decisions</li> <li>Finalized appeals requirements validation and started development of tools and processes needed to support eligibility appeals. Identified options for Adjudication of Appeals. Developed high level process flows. Identified resources needed to appropriately handle eligibility appeals. Defined notice requirements for appeals processing.</li> <li>With HCPF, develop and document eligibility appeals processes. Define roles and responsibilities. Identify escalations and final authority for decision making.</li> <li>Test combined automated and manual appeals processes.</li> <li>Begin receiving and processing eligibility appeals.</li> <li>Monitor appeals received and look for ways to improve efficiency and accuracy of systems to reduce number of appeals. Improve efficiency of appeals process itself.</li> <li>Appeals business process maps approved.</li> </ul>	<p>07/12 (complete)</p> <p>12/12 (complete)</p> <p>06/13</p> <p>09/13</p> <p>10/13</p> <p>Ongoing</p>	Board, Legal counsel, Director of Partner Relationships, Individual Exchange Manager, Technology Lead, Vendor
12. The Exchange and SHOP have the capacity to process QHP selections and terminations, compute actual APTC, and report and reconcile QHP selections, terminations, and APTC/advance CSR information in coordination with issuers and CMS. This includes exchanging relevant information with CMS and issuers electronically	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including manual redeterminations. Wireframes and storyboards for eligibility and enrollment – including plan shopping and selection are complete. 834 compatibility guide complete and submitted to carriers for use in developing their systems. Identified 2 carriers who are willing to beta test with COHBE. Defined carrier interoperability testing approach and timeline.</li> <li>Development of eligibility and enrollment code complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with carriers. Begin ‘wave’ testing with carriers.</li> <li>User acceptance testing of eligibility and enrollment complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to accept and process enrollments and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	<p>09/12 (complete)</p> <p>04/13 (complete)</p> <p>06/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead, Plan Manager and Vendor
13. The Exchange has the capacity to electronically report results of eligibility and exemption assessments and determinations, and provide associated information to government agencies. This includes information necessary to support administration of APTC and CSR as well as to support employer responsibility provisions	<ul style="list-style-type: none"> <li>Finalized E&amp;E requirements validation. Approved E&amp;E business process maps.</li> <li>Completed system design for E&amp;E components including reporting and reconciliation processes. Wireframes and storyboards for eligibility applications complete.</li> <li>Development of eligibility application complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with state and federal components.</li> <li>User acceptance testing of eligibility application complete. IV&amp;V review of E&amp;E components complete.</li> <li>Launch Exchange system including capability to accept and process applications and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	<p>09/12 (complete)</p> <p>04/13 (complete)</p> <p>06/13</p> <p>08/13</p> <p>10/13</p> <p>Ongoing</p>	Technology Lead and Vendor

F.3. Eligibility and Enrollment			
Activity	Milestone	Completion date	Responsible party
14. The Exchange has a transition plan for high risk pools including State-based PCIP programs and other similar programs.	<ul style="list-style-type: none"> <li>Finalized agreement with Cover Colorado (the state-based PCIP carrier) to transition individuals from their programs to the Exchange.</li> </ul>	10/12 (complete)	Executive Director, COO and Cover Colorado staff
	<ul style="list-style-type: none"> <li>Review transfer plan and determine if additional COHBE support is needed.</li> </ul>	09/13	
	<ul style="list-style-type: none"> <li>Transfer complete.</li> </ul>	12/13	

F.4. Plan Management			
Activity	Milestone	Completion date	Responsible party
1. The Exchange has the appropriate authority to perform the certification of QHPs and to oversee QHP issuers.	<ul style="list-style-type: none"> <li>Secured enabling legislation for Colorado Exchange which clarifies that the state Department of Insurance (DOI) will be responsible for QHP and issuer certification.</li> </ul>	06/11 (complete)	State Legislature
2. QHP certification process	<ul style="list-style-type: none"> <li>Approved Plan and Carrier certification policies including alignment with DOI.</li> <li>Defined and agreed Plan and Carrier certification and appeals approach and roles/responsibilities. MOU with DOI completed.</li> <li>Finalized agreement to provide funding to DOI to support Exchange certification activities.</li> <li>Plan and issuer certification begins for October 2013 open enrollment period</li> <li>Ongoing improvements to the certification process and handoffs between carriers, DOI and COHBE.</li> </ul>	08/12 (complete)	ED, Plan Manager, Director of Partner Relationships, CFO
		10/12 (complete)	
		05/13 (complete)	
		05/13	
3. Plan management tools	<ul style="list-style-type: none"> <li>Agreed with DOI, carriers and CMS to use SERFF as primary plan management tool.</li> <li>Provided feedback to NAIC and CMS on SERFF templates. Coordinated with carriers and DOI on use of SERFF to upload QHPs and other required information. Received final SERFF templates for use by developers.</li> <li>Defined and developed carrier enrollment and reconciliation tools and processed. Published final 834 companion guide with input from carriers. Began interoperability testing with SERFF</li> <li>Receive first approved plans from SERFF via automated interface. Conduct plan readiness reviews and other pre-implementation activities.</li> <li>Refine plan management tools and processes to improve efficiency and accuracy of process. Provide carriers with better tools to verify plan loading in the Exchange prior to making them available for sale on the Exchange.</li> </ul>	11/12 (complete)	Plan Manager, Technology Lead, Director of Partner Relationships, Vendor
		03/13 (complete)	
		04/13 (complete)	
		07/13	
		Ongoing	
4. Ongoing CMS compliance	<ul style="list-style-type: none"> <li>Established Health Plan Advisory Group.</li> <li>Finalized agreement on the integration between the Exchange and other State agencies (DOI) for monitoring and complaints management finalized.</li> <li>Created business process map for plan monitoring and complaints management.</li> <li>Develop business processes for plan monitoring and complaints management</li> <li>Provide help desk functions for carriers</li> </ul>	03/12 (complete)	Plan Manager, Technology Lead, Director of Partner Relationships, Vendor
		08/12 (complete)	
		09/12 (complete)	
		08/13	
5. The Exchange has the capacity to support issuers and provides technical assistance to ensure ongoing compliance with QHP issuer operational standards	<ul style="list-style-type: none"> <li>Established Health Plan Advisory Group.</li> <li>Established weekly sessions with carrier technical resources.</li> <li>Developed plan loading approach to give carriers the opportunity to see their plans on the Exchange prior to making them available for purchase on the Exchange,</li> <li>Hired carrier account manager to support carriers</li> <li>Carrier training developed and executed</li> <li>Provide help desk function for carriers</li> <li>Refine tools and processes needed to adequately and efficiently support carriers</li> </ul>	03/12 (complete)	Plan Manager, Technology Lead, Director of Partner Relationships, Vendor
		10/12 (complete)	
		01/13 (complete)	
		04/13 (complete)	
		07/13	
Ongoing			

F.4. Plan Management			
Activity	Milestone	Completion date	Responsible party
6. The Exchange has a process for QHP issuer recertification, decertification, and appeal of decertification determinations.	<ul style="list-style-type: none"> <li>Board approved Plan and Carrier certification and appeals policies</li> <li>Developed and approved plan management certification and appeals use cases.</li> <li>Carrier and plan certification appeals processes developed.</li> <li>Develop tools and processes to support carrier and plan recertification and decertification processes to be implemented post go-live.</li> </ul>	09/12 (complete)	Plan Manager, Technology Lead, Director of Partner Relationships, Vendor
		10/12 (complete)	
		08/13	
		Ongoing	
7. QHP issuer accreditation timeline and processes.	<ul style="list-style-type: none"> <li>Established Health Plan Advisory Group, SHOP Advisory group and Individual Exchange Advisory Groups to assist in policy decisions related to issuers and other Exchange functions.</li> <li>With input from advisory groups, developed recommendations for an accreditation approach to present to the Board and DOI for review</li> <li>The Board voted on an approach for addressing plan certification requirements in the areas of accreditation (2-year transition period for accreditation), working with the Co. Division of Insurance and partners to validate licensure, gather Medical Loss Ratio information, assist with network adequacy issues, out-of-network payment disclosures, rate review, and solvency requirement</li> <li>Communicated timeline and Board decision to carriers.</li> </ul>	05/12 (complete)	Health Plan Manager and Board
		06/12 (complete)	
		06/12 (complete)	
		07/12 (complete)	
8. The Exchange has systems and procedures in place to ensure the QHP issuers meet the minimum certification requirements pertaining to quality reporting and provide relevant information to the Exchange and other entities.	<ul style="list-style-type: none"> <li>With input from advisory groups, developed recommendations regarding quality display and quality reporting to Board.</li> <li>The Board voted to provide quality ratings for health plans offered on the Exchange.</li> <li>The Board voted on Oct. 8, 2012 to provide a CAHPS composite rating and link to HEDIS information as well as other appropriate metrics about health plan quality.</li> </ul>	09/12 (complete)	Health Plan Manager, Board advisory groups, Board
		09/12 (complete)	
		10/12 (complete)	

F.5. Financial Management			
Activity	Milestone	Completion date	Responsible party
1. Manage the planning grant consistent with grant requirements.	<ul style="list-style-type: none"> <li>Adhere to financial monitoring activities under the Establishment Cooperative Agreement</li> </ul>	Ongoing	CFO
2. Adhere to Financial monitoring requirements.	<ul style="list-style-type: none"> <li>Adhere to financial monitoring activities under the Establishment Cooperative Agreement</li> </ul>	Ongoing	Board of Directors and Executive Director
3. Appoint Board Finance committee.	<ul style="list-style-type: none"> <li>Defined financial management structure and the scope of activities required to comply with SB11-200</li> </ul>	01/12 (complete)	Board of Directors
4. Adhere to regulations as defined in enabling legislation.	<ul style="list-style-type: none"> <li>Defined financial management structure and the scope of activities required to comply with SB11-200</li> </ul>	01/12 (complete)	Board of Directors, ED and CFO
5. Hire highly qualified professionals in all levels of the financial management of the Exchange	<ul style="list-style-type: none"> <li>Established a financial management structure and commit to hiring experienced accountants</li> <li>Hired an experienced CFO</li> <li>Hired an experienced controller</li> </ul>	06/12 (complete)	ED and CFO
		08/12 (complete)	
		01/13 (complete)	

F.6. SHOP			
Activity	Milestone	Completion date	Responsible party

F.6.SHOP			
Activity	Milestone	Completion date	Responsible party
<p>1. The SHOP Exchange provides both employees and employers with an appropriate amount of choice and structure to meet the mission and objectives of the Exchange and satisfies all regulatory requirements.</p>	<ul style="list-style-type: none"> <li>The Board voted on to have one administrative structure that operates separate Individual and SHOP Exchanges. The Board voted to keep the individual and small group (SHOP) risk pools separate and revisit the issue within two years after the Exchange opens.</li> </ul>	02/12 (complete)	
	<ul style="list-style-type: none"> <li>The Board voted to recommend that the Colorado Division of Insurance limit the size of the small group market to 50 employees in 2014 and 2015</li> </ul>	04/12 (complete)	
	<ul style="list-style-type: none"> <li>Established SHOP advisory group to assist with policy decisions that affect the Exchange</li> </ul>	05/12 (complete)	
	<ul style="list-style-type: none"> <li>The Board voted to establish open enrollment periods for the Individual and SHOP exchanges that align with federal guidelines (Oct 1 2013 to March 31 2014 for the first year and Oct 15 2014 to Dec 7 2014 for the 2015 plan year). There would be no special open enrollment period for members who are terminated for failure to pay premiums. Hired full-time SHOP manager.</li> </ul>	07/12 (complete)	
	<ul style="list-style-type: none"> <li>The Board voted to allow employers to offer employees a single Qualified Health Plan and plans in a single cost-sharing (metal) tier. The Board voted to allow employers to offer employees a panel of qualified health plans from a single carrier representing an actuarial value range that is as extensive as the carrier offers outside of the exchange, any plan that is offered in two adjacent metal tiers, or a subset of any of the four groups of options</li> </ul>	07/12 (complete)	
	<ul style="list-style-type: none"> <li>The Board voted to approve the SHOP Advisory Group recommendations:               <ul style="list-style-type: none"> <li>COHBE should adopt employer contribution requirements that emulate the outside market,</li> <li>COHBE should adopt a participation requirement that emulates the outside market, and</li> <li>COHBE should generate tools to help employers pick their actual contribution amount (i.e., percentage, flat dollar amount - defined contribution, reference pricing). Options should not be too complex, in compliance with state and federal laws, technically feasible, and meet employers' needs.</li> </ul> </li> </ul>	11/12 (complete)	
	<ul style="list-style-type: none"> <li>The Board voted to adopt an approach that the Exchange should emulate employer contribution and employee participation requirements that exist in the broader market outside the Exchange, and should generate tools to help employers pick their actual contribution amount.</li> </ul>	11/12 (complete)	

F.6.SHOP			
Activity	Milestone	Completion date	Responsible party
2. Establish a SHOP calculator that facilitates QHP comparison for Employers.	<ul style="list-style-type: none"> <li>Finalized SHOP requirements validation. Approved SHOP business process maps. Requirements included ability for employers to compare premium costs and benefits across multiple plans and issuers.</li> <li>Completed system design for SHOP components including plan comparison and costs. Wireframes and storyboards for SHOP – including plan shopping and selection are complete. 834 compatibility guide complete and submitted to carriers for use in developing their systems. Identified 2 carriers who are willing to beta test with COHBE. Defined carrier interoperability testing approach and timeline.</li> <li>Development of SHOP plan selection code complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with carriers. Begin 'wave' testing with carriers.</li> <li>User acceptance testing of SHOP functions complete. IV&amp;V review of SHOP components complete.</li> <li>Launch Exchange system including capability to accept and process SHOP enrollments and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	09/12 (complete)	Technology Lead, SHOP Manager and Vendor
		04/13 (complete)	
		06/13	
		08/13	
		10/13	
		Ongoing	
3. The Exchange has the capacity for SHOP premium aggregation.	<ul style="list-style-type: none"> <li>The Board voted to provide premium aggregation in the SHOP and conduct a study later to determine if COHBE should also offer the option for employers to pay directly to carriers.</li> <li>Finalized SHOP requirements validation. Approved SHOP business process maps. Requirements included ability for the SHOP Exchange to aggregate payments from employers to carriers.</li> <li>Completed system design for SHOP components including payment aggregation. Wireframes and storyboards for SHOP – including payment processing are complete. 820 compatibility guide complete and submitted to carriers for use in developing their systems. Identified 2 carriers who are willing to beta test with COHBE. Defined carrier interoperability testing approach and timeline.</li> <li>Development of SHOP payment aggregation and billing code complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases. Tests to include initial enrollment, life change events, simple and complex family scenarios, and interoperability with carriers. Begin 'wave' testing with carriers.</li> <li>User acceptance testing of SHOP functions complete. IV&amp;V review of SHOP components complete.</li> <li>Launch Exchange system including capability to accept and process SHOP enrollments and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	04/12 (complete)	Board, ED, CFO, SHOP manager, Technology Lead, Vendor
		09/12 (complete)	
		04/13 (complete)	
		06/13	
		08/13	
		10/13	
		Ongoing	

F.6.SHOP			
Activity	Milestone	Completion date	Responsible party
4. The SHOP Exchange has the capacity to electronically report information to the IRS for tax administration purposes.	<ul style="list-style-type: none"> <li>Finalized SHOP requirements validation. Approved SHOP business process maps. Requirements included ability for the Exchange to report information to the IRS for tax administration purposes.</li> <li>Completed system design for SHOP components including reporting. Wireframes and storyboards for SHOP – including reporting are complete. 820 compatibility guide complete and submitted to</li> <li>Development of SHOP reporting code complete. User acceptance test scripts complete – including alignment with CMS/CCIIO and HCPF E&amp;E test cases.</li> <li>User acceptance testing of SHOP functions complete. IV&amp;V review of SHOP components complete.</li> <li>Launch Exchange system including capability to accept and process SHOP enrollments and updates.</li> <li>Monitor system and processes, develop and deploy technology and process improvements to increase efficiency, accuracy and automation.</li> </ul>	09/12 (complete)	Technology Lead, SHOP Manager and Vendor
		04/13 (complete)	
		06/13	
		08/13	
		10/13	
		Ongoing	

F.7.Organization and Human Resources			
Activity	Milestone	Completion date	Responsible party
1. The Exchange has an appropriate organizational structure and staffing resources to perform Exchange activities.	<ul style="list-style-type: none"> <li>Hired part time HR lead</li> <li>Defined initial operational organizational chart</li> <li>Developed hiring strategy and projected staff levels as part of second level 1 grant application.</li> <li>Developed and implemented hiring and on-boarding processes as well as performance management plans.</li> <li>Hired full time HR manager.</li> <li>Ongoing monitoring of resource levels and performance to ensure the Exchange is staffed adequately,</li> </ul>	01/12 (complete)	ED, CFO, COO and staff
		07/12 (Complete)	
		09/12 (complete)	
		03/13 (complete)	
		04/13 (complete) Ongoing	
2. The Exchange has an adequate staffing plan – including hiring, training, oversight and monitoring Customer Serviceall Center resources.	<ul style="list-style-type: none"> <li>Estimated number of Customer Service Center resources needed over time based on expected call volumes, call handle times and technology improvements.</li> <li>Hired Customer Service Director.</li> <li>Develop tools and processes to monitor performance of Customer Service Center resources relative to service levels and efficiency targets. Revise center staff and/or training based on observations and data</li> </ul>	02/13 (complete)	ED, CFO, COO and Customer Service Director
		04/13 (complete)	
		Ongoing	

F.8.Finance and Accounting			
Activity	Milestone	Completion date	Responsible party

<p>1. The Exchange has a long term operational budget and management plan, monitors its finances, and is able to track its costs and revenues.</p>	<ul style="list-style-type: none"> <li>Established a financial management structure and committed to hiring experienced accountants to support financial management activities of the Exchange, which include responding to Audit requests and inquiries of the Secretary and the Government Accountability Office as needed. Adhered to HHS financial monitoring activities carried out for Exchange Planning Grants</li> <li>Appointed Board Finance committee. Adhere to Colorado state regulations as defined in enabling legislation. All moneys received by the Board of Directors are subject to audit by the Colorado General Assembly Legislative Audit Committee as established in enabling legislation, SB11-200.</li> <li>Defined financial reporting standards.</li> <li>Selected audit firm. Completed two external audits with clean results Hired full time CFO.</li> <li>Completed second Level 1 Grant application including budget, financial management and resource plan.</li> <li>Hired full time Controller</li> <li>Implement accounts payable / General Ledger system.</li> <li>Complete regular budget reports (including annual accounting report) according to HHS requirements. This demonstrates the ability to manage the finances of the Exchange soundly in accordance with Federal requirements. Post information related to Exchange financial management on COHBE web site. Identify other mechanisms for making financial activities associated with the Exchange transparent. Perform regular external audit of Exchange financial systems and processes.</li> </ul>	<p>12/11 (complete)</p> <p>01/12(complete)</p> <p>05/12 (complete) 08/12 (complete)</p> <p>12/12 (complete)</p> <p>01/13 (complete) 07/13 Ongoing</p>	<p>Board, Finance Committee, CFO, ED</p>
<p>2. The Exchange has defined methods for generating revenue (e.g., user fees) and has the appropriate legal authority to support this method.</p>	<ul style="list-style-type: none"> <li>Developed sustainability model and reviewed recommendations for income sources (including user fees) with Board and Stakeholders. Drafted legislation that supports model.</li> <li>Developed 5-year budget and Level 2 grant. Reviewed with Legislative Implementation Review Committee (LIRC), Grant Review Committee and Board.</li> </ul>	<p>03/13 (complete)</p> <p>05/13 (complete)</p>	<p>ED, CFO</p>
<p>3. The Exchange has defined procedures to ensure appropriate oversight of all budget and cost items to avoid fraud, waste and abuse of funds.</p>	<ul style="list-style-type: none"> <li>The Board voted on a framework to develop internal controls and processes to ensure proper financial operations that will be monitored by Board committees.</li> <li>The Board voted to adopt guiding principles for implementing adequate controls to balance the need to guard against fraud with allowing customers to purchase plans in a timely manner and that subscriber data will be obtained through self-attestations.</li> <li>The Board voted to include specific contract language to ensure that carriers comply with the False Claims Act, including policy, process and internal training and management of activities.</li> <li>The Board voted to follow a 6-step approach, including the hiring of an IV&amp;V firm, to control, monitor and prevent fraud, waste and abuse with technology systems and contractors</li> </ul>	<p>06/12 (complete)</p> <p>09/12 (complete)</p> <p>11/12 (complete)</p> <p>12/12 (complete)</p>	<p>Board, Finance Committee, CFO</p>

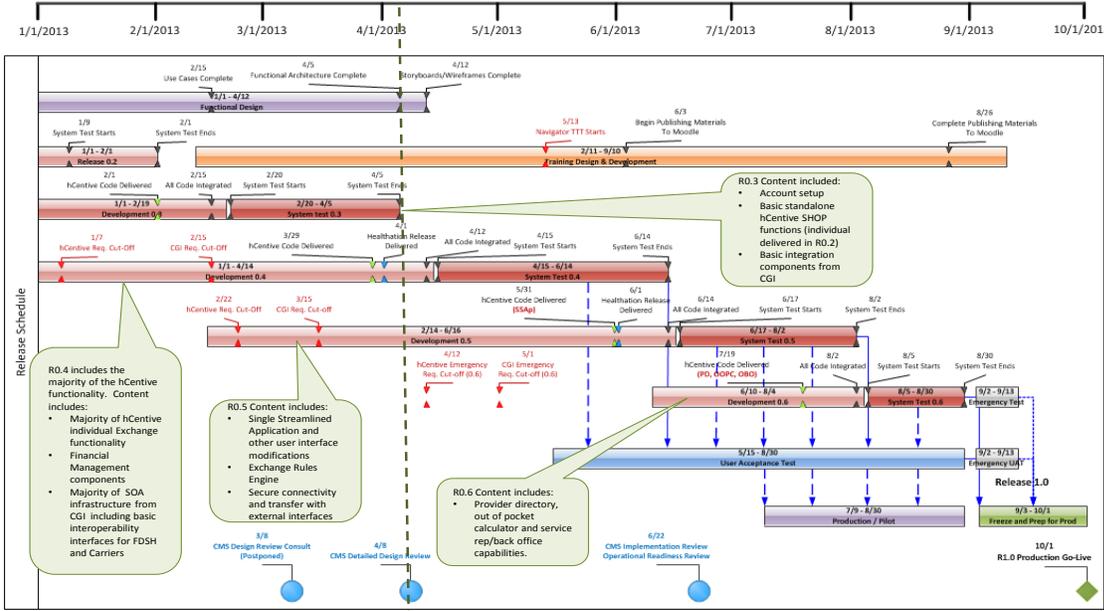
## F.9 Technology Overview

COHBE and our technology vendors are using a modified product development lifecycle to rollout the first Release of the Exchange. Key elements of the software development methodology include:

- Initial requirements verification and gap analysis
- Development of use cases, process flows, storyboards and wireframes to illustrate the implementation of the requirements

- Delivery of functions by the Commercial off-the-shelf (COTS) vendors in '0.X releases' that follow a standard software development lifecycle. For each 0.x release, the vendors and system integrator (SI) will define requirements, lock down scope, develop detailed design documents, develop and unit test code, perform independent system testing, integrate COTS products by system integrator, and perform a complete system and regression test. The SI defined an overall release schedule that defined the contents and timeline for each release delivered prior to launch. The release schedule (with the focus on 2013 activities), is presented as Figure F.2: Release Schedule. This diagram augments the work plan items in section F.9 of the work plan table.

COHBE Release Schedule to Go-Live



**F.9. Technology**

Activity	Milestone	Completion date	Responsible party
1. The Exchange technology and system functionality complies with relevant IT guidance.	<ul style="list-style-type: none"> <li>Established regular meetings with CMS IT resources established to review and discuss technology issues and decisions.</li> <li>Completed initiation gate review, initial design consult and final design consult with CMS and CCIIO resources. No significant issues identified.</li> <li>Complete final design review with HCPF</li> </ul>	<p>03/12 (complete)</p> <p>02/12, 09/12, 04/13 (complete)</p> <p>06/13</p>	Technology Lead
2. The Exchange has the adequate technology infrastructure and bandwidth required to support all of the Exchange activity	<ul style="list-style-type: none"> <li>Sizing estimates finalized. Technical requirements for sizing estimates completed.</li> <li>Approved capacity and performance test plan approved</li> <li>Complete capacity and performance test</li> <li>Successful completion of the following contact center deliverables:               <ul style="list-style-type: none"> <li>Voice Telephony Network</li> <li>Voice Telephony Platform (IVR, ACD, Skills, Routing, etc)</li> <li>Voice Telephony Platform CTI Integration with CRM and IVR</li> <li>Voice Analytics</li> <li>Data Network (Inter-Site, Internet, VPN)</li> </ul> </li> </ul>	<p>12/12 (complete)</p> <p>05/13 (complete)</p> <p>09/13</p> <p>08/13</p>	ED / COO/ Technology Lead/ Customer Service Director

F.9. Technology			
Activity	Milestone	Completion date	Responsible party
3. Connectivity to FDSH	<ul style="list-style-type: none"> <li>Letter of acceptance into Wave 3 testing with FDSH received.</li> <li>Connectivity testing with FDSH for testing complete.</li> <li>Connectivity with FDSH for data transfer in production complete. Contingency plan developed to address situations where FDSH is not available or not performing to SLAs.</li> <li>Ongoing monitoring of performance of FDSH to improve efficiency</li> </ul>	05/13 (complete) 07/13 09/13 Ongoing	Technology lead, Vendor
4. The Exchange effectively implements IV&V, quality management, and test procedures for Exchange development activities.	<ul style="list-style-type: none"> <li>Submitted IV&amp;V RFP</li> <li>Selected IV&amp;V vendor</li> <li>Completed first IV&amp;V assessment and remedied all findings</li> <li>Completed second IV&amp;V assessment and remedied all findings.</li> <li>Perform final IV&amp;V assessment prior to go-live</li> <li>IV&amp;V vendor final report submitted</li> </ul>	11/12 (complete) 12/12 (Complete) 04/13 (complete) 05/13 (Complete) 08/13 09/13	COHBE PMO, IV&V Vendor
5. The Exchange demonstrates it has achieved essential functionality for each required activity	<ul style="list-style-type: none"> <li>Completed CMS planning gate review, outstanding action items and issues resolved</li> <li>Completed CMS initial design review, outstanding action items completed</li> <li>Completed CMS detailed design consult, outstanding action items completed.</li> <li>Complete final CMS detailed design review with HCPF. Address any outstanding issues or action items. Demonstrate 70% of system is available to CMS/CCIIO</li> <li>Complete CMS operational readiness review</li> <li>Publish user acceptance test and IV&amp;V verification results for all required activities.</li> <li>Develop and manage to a plan that provides for continuous development of additional functions not delivered as part of initial release.</li> </ul>	03/12 (complete) 09/12 (complete) 05/13 (complete) 07/13 08/13 09/13 Ongoing	Technology Lead, Vendor, ED
6. Complete production environment set-up	<ul style="list-style-type: none"> <li>Code deployed into production environment</li> <li>Complete pre-production testing of software in production environment. Assess stability of production environment and readiness for go-live. Any critical issues corrected.</li> <li>Release software and data into production, turn on system.</li> </ul>	07/13 09/13 10/13	Vendor, Technology Lead, COO, ED

F.10. Privacy and Security			
Activity	Milestone	Completion date	Responsible party
1. The Exchange has established and implemented written policies and procedures regarding the Privacy and Security standards.	<ul style="list-style-type: none"> <li>The Board voted to implement an Information Security and Privacy Program that will meet numerous established security standards and includes specific roles and responsibilities for COHBE staff and technology vendor staff to ensure proper protection of information assets.</li> </ul>	10/12 (complete)	Board and ED
2. The Exchange has established and implemented safeguards that (1) ensure critical outcomes including authentication and identity proofing functionality and (2) incorporates IT requirements as applicable.	<ul style="list-style-type: none"> <li>Hired security consultant to support Exchange activities</li> <li>Finalized document management requirements</li> <li>Defined security requirements</li> <li>Submitted System Security Plan (SSP) and Safeguard Procedure report (SPR)</li> <li>Develop manual and automated tools and procedures to support SSP and SPR</li> <li>Perform security test</li> <li>Develop operational procedures to monitor storage capabilities and provide notifications to system administrators when storage is nearing capacity.</li> <li>Ongoing monitoring of security procedures to improve security.</li> <li>Ongoing monitoring of upload capabilities and the addition of new capabilities to improve performance.</li> </ul>	08/12 (complete) 10/12 (complete) 11/12 (complete) 04/13 (complete) 02/13 – 08/13 06/13 08/13 Ongoing Ongoing	Technology Lead, Security Lead, Vendor, COO

F.10.Privacy and Security			
Activity	Milestone	Completion date	Responsible party
3. The Exchange has adequate safeguards in place to protect the confidentiality of all Federal information received through the Data Services Hub, including but not limited to Federal tax information	<ul style="list-style-type: none"> <li>Hired security consultant to support Exchange activities</li> <li>Finalized document management requirements</li> <li>Defined security requirements</li> <li>Submitted Safeguard Procedure report (SPR)</li> <li>Develop manual and automated tools and procedures to support SPR</li> <li>Perform security test</li> <li>Develop operational procedures to monitor storage capabilities and provide notifications to system administrators when storage is nearing capacity.</li> <li>Ongoing monitoring of security procedures to improve security.</li> <li>Ongoing monitoring of upload capabilities and the addition of new capabilities to improve performance.</li> </ul>	<p>08/12 (complete)</p> <p>10/12 (complete)</p> <p>11/12 (complete)</p> <p>04/13 (complete)</p> <p>02/13 – 08/13</p> <p>06/13</p> <p>08/13</p> <p>Ongoing</p> <p>Ongoing</p>	Technology Lead, Security Lead, Vendor, COO

F.11.Oversight, Monitoring and Reporting			
Activity	Milestone	Completion date	Responsible party
1. Establish procedures to uphold financial integrity provisions for accounting, reporting and auditing	<ul style="list-style-type: none"> <li>The Board voted on a framework to develop internal controls and processes to ensure proper financial operations that will be monitored by Board committees.</li> <li>The Board voted to adopt guiding principles for implementing adequate controls to balance the need to guard against fraud with allowing customers to purchase plans in a timely manner and that subscriber data will be obtained through self-attestations.</li> <li>The Board voted to include specific contract language to ensure that carriers comply with the False Claims Act, including policy, process and internal training and management of activities.</li> <li>The Board voted to follow a 6-step approach, including the hiring of an IV&amp;V firm, to control, monitor and prevent fraud, waste and abuse with technology systems and contractors</li> </ul>	<p>06/12 (complete)</p> <p>09/12 (complete)</p> <p>11/12 (complete)</p> <p>12/12 (complete)</p>	Board, Finance Committee, CFO
2. Develop process to perform quality controls as part of oversight and monitoring of the Exchange.	<ul style="list-style-type: none"> <li>The Board voted to provide financial reports that are required under state law and federal grant regulations and to make them available to the public.</li> <li>The Board voted to comply with audit requirements related to federal grants and state law and to follow best practices, including the use of an A-133 Financial and Single Federal audit for the period when the Exchange is grant-funded.</li> <li>The Board voted on a framework to develop internal controls and processes to ensure proper financial operations that will be monitored by Board committees.</li> <li>The Board voted to adopt guiding principles for implementing adequate controls to balance the need to guard against fraud with allowing customers to purchase plans in a timely manner and that subscriber data will be obtained through self-attestations.</li> <li>The Board voted to include specific contract language to ensure that carriers comply with the False Claims Act, including policy, process and internal training and management of activities.</li> <li>The Board voted to follow a 6-step approach, including the hiring of an IV&amp;V firm, to control, monitor and prevent fraud, waste and abuse with technology systems and contractors</li> </ul>	<p>05/12 (complete)</p> <p>05/12 (complete)</p> <p>06/12 (complete)</p> <p>09/12 (complete)</p> <p>11/12 (complete)</p> <p>12/12 (complete)</p>	Board, Finance Committee, CFO
3. Draft oversight and monitoring metrics	<ul style="list-style-type: none"> <li>Determined which financial or accounting standards the Exchange will use (e.g., GAAP)</li> <li>Defined financial reporting policies and standard list of reports</li> </ul>	<p>05/12 (complete)</p> <p>06/12 (complete)</p>	Board, Finance Committee, CFO and Technology Lead

F.11.Oversight, Monitoring and Reporting			
Activity	Milestone	Completion date	Responsible party
4. Establish capacity to track and report Exchange activity performance and outcomes metrics in a format and manner specified by HHS	<ul style="list-style-type: none"> <li>Participated in CClO and CMS metrics work groups, aligned reporting requirements to outcomes.</li> <li>Verify that reports are generated by system and/or other tools.</li> </ul>	07/13	CFO and Technology Lead
		09/13	
5. Establish and implement policies and procedures to perform routine oversight and monitoring of Exchange activities	<ul style="list-style-type: none"> <li>Develop and approve operations and quality assurance during operations policies.</li> <li>Implement operational policies</li> <li>Continue to execute and improve on fraud, waste and abuse processes and tools. Comply with HHS reporting requirements related to auditing and prevention of fraud, waste and abuse. Improve reporting, auditing and monitoring of systems to increase effectiveness and address concerns.</li> </ul>	08/13	CFO, COO and vendor
		10/13	
		Ongoing	

F.12.Contracting, Outsourcing and Agreements			
Activity	Milestone	Completion date	Responsible party
1. The Exchange has executed appropriate contractual, outsourcing, and partnership agreements with vendors and/or State and Federal agencies for all Exchange activities and functionality as needed.	<ul style="list-style-type: none"> <li>The Board voted to add a section about consultant procurement to the organization's Procurement Policy, including encouraging procurement from Colorado-based businesses and additional non-discrimination factors</li> <li>Completed MSA and SOW with PMO vendor</li> <li>Completed MSA and SOW with technology vendor</li> <li>Completed MSA and SOW with IV&amp;V vendor</li> <li>Completed MSA and SOW with Customer Service Center deployment vendor</li> <li>Completed Health Coverage Guide / Assistance site agreement template</li> <li>Completed requirements for participation in FDSH testing.</li> <li>Complete carrier participation agreement template</li> <li>Complete MOU with HCPF</li> <li>Complete MOU with DOI</li> </ul>	06/12 (complete)	ED , CFO and COO
		03/12 (complete)	
		06/12 (complete)	
		12/12 (complete)	
		02/13 (complete)	
		04/13 (complete)	
		05/13 (complete)	
		05/13	
		07/13	
		07/13	

Grant Category	Description of Contractual Expense	Description	Budget for 2L1 Grant Period
<b>Contractual</b>			
	CGI - Technology Implementation	Balance of Technology SOW, Deferred Scope, and Financial Management Integration	9,996,796
	CGI - Hosting, Maintenance & Support	Level 2 grant period	7,893,780
	Automation to decrease operational workload & cost	Customer service portal enhancements Enhancements to address complex family scenarios SHOP enhancements Automation of Back Office processes IVA implementation Billing enhancements for SHOP Records management	4,837,500
	Hosting, Maintenance and Support for enhanced automation technologies	Level 2 grant period	175,000
	Technology enhancements to support customers & facilitate new sales channels	Advanced decision support tools Support for Rx comparisons Support for mobile platforms Continued interoperability improvements between Exchange & State systems UI enhancements Accessibility enhancements API integration	5,218,750
	Enhanced support for Carriers, Brokers, Navigators and Guides	Automation of certification process Additional tools for Brokers, Navigators and Guides Tools to support readability level for Carrier product information Enhanced Carrier interoperability	1,312,599
	Infrastructure improvements	Additional security/authentication	562,500
	Maximizing tools for analytics & reports	Automated solutions for mass mailings Mapping technologies Data warehouse reporting Analytics enhancements	1,687,500
	Regulatory imperatives	React to new State and Federal regulation Use of additional data sources for verification Enhanced plan quality data Tax reporting Eligibility service enhancements	4,575,000
	Healthation License	Exchange transactional finance system	295,000
	Healthation Maintenance & Support	Level 2 grant period	140,364
	Cognos Licenses	Data Warehousing	89,040
	Oracle Maintenance & Support	Exchange platform	4,760,000
	RightNow (Oracle CX)	CRM for customer service center - additional 110 licenses with co-browse & chat	1,782,000
	RightNow (Oracle CX)	Security upgrade	185,000
	Variable Customer Service Center Staff - Line Staff	Based on customer service center modeling for 18 months of grant period, average monthly line staff (excluding core team) 58 FTE's, see budget narrative for additional detail	6,812,458
	Core Customer Service Center Staff - Line Staff	Core group of 17 customer service center staff to be retained for entire contract period, split between Colorado Springs and Denver customer service centers, see budget narrative for additional detail	2,780,432
	Customer Service Center Operations Support Staff	Customer service center director, HR, Reception, QA's, Policy & Procedures, Trainers, Workforce Manager for 18 months of grant period, average monthly operations support staff 17 FTE's, see budget narrative for additional detail	3,175,361

Grant Category	Description of Contractual Expense	Description	Budget for 2L1 Grant Period
<b>Contractual</b>			
	Operations Vendor Implementation Team	Customer service center vendor has implementation team to Project Manage, Schedule, Develop Policies & Procedures, Collaborate with Implementation Vendor	2,440,000
	Customer Service Center Tenant Improvements & CapEx Equipment	Customer service center construction (interior tenant finish and build out of leased/purchased space), Furnishings, Equipment, Generator, Architect, Telephones, Electronics, Data Cabling	3,300,000
	Leased Space Colorado Springs & Denver	Customer Service Center leased space for grant period	417,786
	Customer Service Center Purchase	Optional - purchase of facility in Colorado Springs (25,000 sq. ft. building), will reduce center operating costs on an ongoing basis, supporting COHBE's sustainability	3,018,750
	Customer Service Center Implementation	Amount from vendor contract that was not covered in COHBE's 2nd Level One grant	871,960
	ACD Hosting, Maintenance, Support & Language Line	ACD hosting on a consecutive seat SaaS license model = \$225/seat per month per agent, ACD/IVR Hosting & support monthly, Language Line services	1,586,783
	Customer Service Center Operating Costs	Security, Data Service, Telephone Service, IT Maintenance, Office Supplies, Copier Lease, Janitorial	1,513,700
	Back Office staff	Back office staff to manage incoming mail, scanning, perform verifications, perform financial reconciliations, assist with processing SHOP billings, supervision	7,709,271
	Intacct - License, Hosting, Maintenance & Support	COHBE Financial Management System	32,000
	SERFF & FDSH Security Certificates	Purchase of trusted digital certificates, encryption keys, to connect to the FDSH and SERFF	10,000
	hCentive Licensing	Exchange user interface software	400,000
	hCentive Maintenance & Support	Level 2 grant period	583,680
	CIVHC Consumer Decision Support Tool	Tool to support consumer's healthcare benefit shopping. Consumers on the COHBE web site shopping for a benefit product for themselves or their family would access the decision support tool enabling the capture and organization of that individual's (or their family's) claim history experience from the Colorado All Payer Claims Database (CO APCD) for a twelve or twenty-four month period. The decision support tool would also organize the individual or family claims into major spending categories, such as medications, annual health and wellness, surgeries and procedures.	150,000
<b>Total Contractual Category (IT Portion)</b>			<b>78,313,010</b>

Grant Category	Position Description	Annual Salary	Salary or Budget for Level 2 Grant Period (18 mos)	FTE Count for L2 Grant Period
<b>Personnel</b>				
	CEO/ED - Patty Fontneau - Provides leadership & direction for all areas of the Exchange, including: strategic objectives, technology oversight, partner & stakeholder relationships, business development, organizational risk, and financial management.	190,550	310,596	1.00
	Director of Partner Engagements - Christa McClure - This position holds significant responsibility for advancing the strategic objectives of COHBE by managing and furthering the technical, financial and strategic relationships between COHBE and our State and Federal regulatory partners as well as other key relationships. In addition, this position maintains an understanding of the partner's objectives, monitors internal and external requirements associated with achieving those goals, and provides input on program development or process improvements to address identified barriers to partner satisfaction. Frequent contacts and key stakeholders include the Division of Insurance, Health Care Policy and Financing, NAIC, CCIIO and the Governor's Office.	130,000	210,925	1.00
	Administrative Support	57,000	88,946	1.00
	CFO - Cammie Blais - Responsible for the financial management and long-term sustainability of the organization and for ensuring COHBE is compliant under its grants and following best practices.	160,000	263,236	1.00
	Financial Management of the Exchange and the organizations operations	80,000	122,400	1.00
	Financial Management of the Exchange and the organizations operations	78,000	118,170	1.00
	Coordination of public meetings and document requirements	50,000	76,875	1.00
	Financial Management of the Exchange and the organizations operations	76,000	115,140	1.00
	Human Resources, Benefits, Recordkeeping	78,000	95,004	0.80
	COO - Lindy Hinman - Provides a framework for development of the processes and procedures around policy decisions, certifications and health plan management, call center operations, including a focus on customer services and assistance with eligibility and enrollment, verifications, risk adjustment, reinsurance, and broker & navigator services.	160,000	262,000	1.00
	Technology implementation and operationalization of processes into business flows	99,000	160,628	1.00
	Manages relationships with insurance companies and health plans	80,000	130,400	1.00
	Manages relationships with insurance companies and health plans	65,000	98,963	1.00
	Customer Service, Call Center, Back Office & Training	80,000	129,800	1.00
	Back Office Business Analyst	68,000	105,075	1.00
	Back Office Business Analyst	65,000	98,475	1.00

Grant Category	Position Description	Annual Salary	Salary or Budget for Level 2 Grant Period (18 mos)	FTE Count for L2 Grant Period
<b>Personnel</b>				
	SHOP Exchange Manager & Insurance Operations Officer - Jim Sugden - The SHOP Manager, is responsible for the Colorado Health Benefit Exchange's strategy and implementation of the Small Business Health Options Program. This position works with insurers, COHBE business partners, the Exchange Board and stakeholders, the Colorado Division of Insurance (DOI) and other external parties, as needed, on all small business group health coverage issues.	122,000	202,575	1.00
	SHOP Operations	55,000	84,150	1.00
	Assistance Network	70,000	115,166	1.00
	Assistance Network	55,000	84,150	1.00
	Individual Exchange - Eligibility & Enrollment	80,000	136,100	1.00
	Manage policy alignment with Federal & State regulation	52,000	80,352	1.00
	Individual Exchange - Eligibility & Enrollment	50,000	76,500	1.00
	Training content & deployment	75,000	94,313	0.83
	Training content & deployment	55,000	55,413	0.67
	Manages the salesforce function and monitors the performance of sales.	50,000	75,000	1.00
	Document Review	7,800	7,800	0.17
	Legal & Appeals	82,000	126,690	1.00
	Business analytics & reporting	80,000	61,800	0.50
	CTO - TBD - Develops strategic plans and implements the objectives of the IT needs of the organization. Develops operating policies & approaches for IT, evaluates overall operations of computing and IT functions. Works with the organizations senior leadership to advise and coordinate on strategic systems goals and objectives.	160,000	258,400	1.00
	Quality assurance & business analyst	85,000	257,550	2.00
	Project, Operational Support & Implementation Support	95,000	153,425	1.00
	PMO, Risk Manager, Security Officer	90,000	113,850	1.00
	Technology implementation and operationalization of processes into business flows	95,000	120,175	1.00
	Oversees all outreach efforts and is responsible for informing all stakeholders of the activities of the Exchange.	95,000	157,743	1.00
	Outreach, Marketing & Communication support	78,000	120,528	1.00
	Outreach, Marketing & Communication support	50,000	76,136	1.00
	Outreach, Marketing & Communication support	80,000	60,000	0.67
	Outreach, Marketing & Communication support	60,000	90,900	1.00
	Outreach, Marketing & Communication support	65,000	98,963	1.00
	<b>Sub Total General Staff</b>	<b>3,303,350</b>	<b>5,094,309</b>	<b>39</b>
	<b>Average Annual Salaries - All Staff</b>	<b>85,505</b>		
	<b>Average Annual Salaries - Non-Leadership Staff</b>	<b>72,956</b>		

Grant Category	Description of Taxes, Insurance, Payments & Benefits	Rate	Amount for 2L1 Grant Period
<b>Taxes, Insurance, Payments &amp; Benefits</b>			
	Workers Compensation Insurance	0.24%	12,328
	Denver Occupational Tax	0.04%	2,038
	SUTA Insurance (3% on limit of \$11,000)	0.300%	15,283
	Social Security & Medicare Insurance	7.65%	389,715
	Disability Insurance/Life Insurance		
	Health/Dental Vision Insurance	23.30%	1,186,974
	403b Deferred Compensation		
	<b>Total Taxes, Insurance, Payments &amp; Benefits Category</b>	<b>31.5%</b>	<b>1,606,338</b>

Grant Category	Position/Function	Services Description	Budget for Level 2 Grant Period
<b>Consultants</b>			
	Financial and A-133 Audit	CPA Firm - Financial & A-133 Audit, Payroll and AP support	120,200
	IV&V	IV&V Vendor	72,000
	PMO & Business Analysts	Team provides leadership and oversight of the entire Exchange Project Plan throughout the phases of planning, pre-implementation and implementation of the COHBE IT system(s) and related services. Project management will be responsible for managing project scope, quality, risk, budget and schedule.	2,420,160
	Business Process Design	Periodic consulting resource to augment staff's work related to market-facing business processes	36,000
	Roadmap Implementation Management	Implementation of future product releases, this position will oversee the Roadmap project plan, subcontractor scope, quality, risks, budget & schedule	377,000
	Policy Support Services	Provide regular updates on information that may affect the design and development of the Exchange.	18,000
	Legal	Carrier Participation Agreements, Legal advice and negotiations on Procurement Contracts, Support COHBE's knowledge and understanding of state requirements	310,600
	Office Administration - Shared	Temporary administrative resource	195,000
	Testing	Contractors and/or vendors to provide both user acceptance testing (UAT) and system penetration & vulnerability testing	880,000
	Penetration & Vulnerability Testing		70,000
	Cognos Developer	Resource to analyze metrics and help establish KPI's	288,000
	Actuarial Support & Market Analysis	Provides support to evaluate the degree of demand of various demographic groups as well as the ability to size the Exchange to meet that demand	28,584
	Data/Statistical Analytics	Resource to work with COHBE staff on a periodic basis (quarterly) to assist with the development and analysis of statistical data available through the Exchange website	86,700
	Technical Health Plan Account Management	Defining SLAs for the Technical Integration between COHBE and Carriers, including EDI processing, error report and resolution, reconciliation and other applicable areas	176,800
	Hearing Officers	Staff to assist with appeals that may be filed with the Exchange regarding: Eligibility for Insurance Assistance Programs, QHP Enrollment Periods, Eligibility to enroll in a catastrophic plan, Amount of APTC and level of CSR, Eligibility for the Individual Responsibility Exemption, Employer's potential tax liability due to employees' eligibility for APTC and CSR, and Employer & Employee eligibility in the SHOP	81,738
	Paralegal		62,875
	Appeals Analyst		50,300
	Appeals Analyst		50,300
	Appeals Analyst		50,300
	Business Development Support	Business development strategies, including: business plans, relationship development with other states, and setting goals & initiatives	169,650
	Website Development	Assist with the upkeep and maintenance of COHBE's education/stakeholder website	11,900
	Graphic Design	Assist with the creation of Marketing & Outreach materials, develop layout for COHBE's annual report	20,000
	Efficiency Audit for Back Office	Ensure back office processes are streamlined and maximized for efficiency by assessing processes and workflows and developing strategies in an attempt to bring down staffing and ongoing costs	50,000
	Security & Privacy (through 6/30/2014)	Guides the Exchange implementation by designing, implementing, documenting and assessing security controls for the Exchange and its operation	194,400

Grant Category	Position/Function	Services Description	Budget for Level 2 Grant Period
<b>Consultants</b>			
	Training Strategist & Program Developer	Develop state-wide stakeholder training program and materials	140,000
	Training Program Implementor	Coordinate state-wide training, including trainer training, QA of trainer program, and vendor management	150,000
	Training Coordinator	Supports Training Program Implementer position	60,000
	Pre Call Center Phone Support	Temporary call center facility to begin accepting telephone calls that arise from the launch of the Connect for Health Colorado brand; will work with developed FAQ list and will continue to update that list based on actual call topics	123,840
	Trainers/Quality Control Specialists (5)	Consultants contracted to deliver training to statewide stakeholders	450,000
	Trainers (21)		1,732,500
	Usability	Provides Usability and Accessibility testing for the Exchange website, marketing/communications collateral, notices and training materials for disabled clients	75,000
	Spanish Translation	QA on Spanish Translations performed by Technology vendors and to assistance with the translation of .pdf resource documents for the Exchange website	40,000
	Application Architect/BI/DW (through 6/30/2014)	Data warehousing, business intelligence, information security & technical infrastructure	345,600
	Broker Engagement	Support SHOP Manager in meeting with brokers for education & certification	80,000
	Communications Writing Support	Assist with writing website content, fact sheets, reports	65,000
	Public Outreach Campaign Mgmt	Responsible to develop the strategy for a meaningful public outreach campaign that will utilize sponsorships and event marketing	24,000
	Outreach	Outreach, Marketing & Communication Support	42,900
	Outreach (Denver & North)	Outreach, Marketing & Communication Support	106,575
	Assistance Network Evaluation	Develop the Assistance Network Evaluation process, provide "mystery shopper" services, perform analysis of outreach services beyond enrollments	300,000
	IT Project Management	Team responsible for the design and functionality of the Exchange's technical systems. IT services will analyze technical architecture and evaluate these in coordination with business objectives.	336,000
	Commitments remaining from 2L1 Budget		1,170,892
<b>Sub Total Consultants Implementation</b>			<b>11,062,814</b>

Grant Category	Description of Travel	Number of Trips	Average Cost per Trip	Total Cost
<b>Travel</b>				
	Travel throughout Colorado and other locations by COHBE management to educate, inform, and be informed on Exchange related Business; meetings with stakeholders and community leaders to ensure the exchange is serving the needs of individuals and small businesses throughout the State	24	1,322	31,728
	Travel performed by COHBE staff related to technical management of the Exchange, includes travel to data center to primary vendor site in AZ, Security & Exchange (technology) related meetings, meetings with other states regarding technology solutions.	18	2,558	46,041
	Travel throughout Colorado and to other states related to Operations and Policy to stay informed on issues that may be national or related to individual state Exchanges which would support COHBE's operational & policy development and inform decisions; travel for key operational staff to retain certifications and update knowledge in specific fields such as Actuarial.	13	1,208	15,704
	Travel for training stakeholders throughout the State of Colorado: Regional Assistance Hubs, Assistance Sites, Health Coverage Guides, Application Assistors, Carriers, State Medicaid Staff (approx. 4000 individuals)	477	178	85,000
	Travel throughout Colorado for the purpose of Outreach, Tribal Outreach, Communications, Marketing & Business Development - Staff will travel to various communities throughout the State, often taking advantage of existing meetings related to health care, business, and insurance, to ensure the widest possible audience of potential users of the Exchange.	54	823	44,442
<b>Total Travel Category</b>				<b>222,915</b>

Grant Category	Description of Equipment	Budget Justification	Budget for 2L1 Grant Period
<b>Equipment</b>			
	Office Build Out & Meeting Requirements	Increased office space required by additional staff coming onboard for Exchange operations beginning mid-2013. Included in this budget line are: tenant improvements, additional wiring as required for Audio/Visual system for stakeholder meetings, and equipment for the same.	54,000
	Cubicles & Desks	The purchase of office furnishings for additional Exchange staff.	47,150
	Servers, Routers & Technology Storage on-site	The expansion of COHBE's operational computer server to accommodate additional staff, set up on redundant server system and additional security.	34,790
<b>Total Equipment Category</b>			<b>135,940</b>

Grant Category	Description of Supplies Expense	Budget for 2L1 Grant Period
<b>Supplies</b>		
	Non-computer Office Supplies to include paper, pens, white boards, staples, etc. (\$62/mo per staff member * 18 mos)	Supplies for FTE's and on-site contracted staff 71,424
	Training supplies: (easels, flip charts, portable white boards, sticky flipchart paper, etc.) \$2500/quarter during open enrollments (\$2500 * 3 qtrs = \$7500)	Supplies for trainers to perform training throughout the state of Colorado. Most materials will be stored via an on-line LMS, but some office supplies will be required to facilitate training. 7,500
	Computers (4 computers @ \$1,250 ea.) for testing	4 @ \$1250 each 5,000
	Laptops & Monitors new staff (@ \$2,250 ea.)	New FTE's & on-site consulting staff @ \$2250 each 51,750
	Portable equipment for marketing & outreach events: (Tablets, projector, wireless cards, camera) (10 tablets * \$600)+(4 wireless card * \$100)+(3 projectors * \$500) + (\$800 digital camera)	Staff will travel to on-site marketing & outreach events throughout the state of Colorado. Materials are needed to assist in the education of the Exchange environment to members of the community. Request includes 10 tablets to demonstrate the shopping experience, 2 projectors, wireless service for staff, and a digital camera with required accessories. 8,700
	Plotter supplies (\$400/mos * 18 mos)	7,200
	Phones, Chairs & headsets, work fit stations for additional staff (Phones + license = \$350, chair-\$250, headset \$50, workfit \$400 for 20%, )	23 @ \$735 each 16,790
	Software & Licenses	23 staff @ \$730 each for software to include Office, Visio, MS Project, Adobe, and Exchange seats (Oracle CX); Additional \$1900 for Articulate Publisher 18,700
<b>Total Supplies Category</b>		<b>187,064</b>

Grant Category	Description of Other Expense	Budget for 2L1 Grant Period
<b>Other</b>		
	Board Expenses	600
	Insurance: General Liability (\$8250), D&O, E&O (\$195K), & Cyber (\$165K), Crime (\$13.5K), Property (\$9K), Umbrella (\$10k), WC (\$10k), Exec Risk (\$30k)	440,750
	Staffing Support Services	51,000
	Conferences & Meetings: meeting space costs, operator assisted webinars, audio/visual services, meeting materials for participants	69,175
	Marketing, Communications & Outreach for maximum market impact to ensure brand recognition, provide educational activities, and drive successful enrollment:	14,445,557
	Business Subscriptions and Reference Materials	4,700
	Copier, Professional Printing, & Document Shredding (Includes Copier Lease-\$1732/mos)+ stationary, bus cards, note cards, etc.)	52,376
	Repairs & Maintenance	5,000
	Education, Training, and Maintenance of Staff certifications, to include continuing education requirements	49,540

Grant Category	Description of Other Expense	Budget for 2L1 Grant Period
<b>Other</b>		
	Office IT & telecom (Phone service, Conferencing, Internet) \$9045/mos Warp 8 support \$900/mos backup & retention \$500/mos additional phone trunks \$600/mos Third Party Services \$7.50/user/mos email archive \$800/mos Goto Webinar (1 extra + carrier dedicated) \$50/mos*10 for Ipad data plan \$175/mos Double Diamond website hosting	234,675
	Rent, Occupancy, and Parking	619,658
	COHBE Annual Report	2,000
	Business Consortium Memberships	29,390
	Broker promotion marketing programs and Carrier events	23,100
	Assistance Network - funding for sub-recipient grants for Regional Hubs, Assistance Sites, and Health Coverage guides to assist with outreach, education, eligibility, and enrollment activities in communities throughout Colorado	10,553,318
	DOI	1,745,442
	Training Development for Service Center and Navigators (purchase or licensing costs for materials/content to use for training, meeting materials, stock photography, etc.)	25,000
	Training Facilities	75,000
<b>Total Other Category - Direct Operating Expenses</b>		<b>28,426,281</b>
<b>Total Grant Request - All Categories</b>		<b>\$125,048,670</b>

## **H. Additional Letters of Agreement/ Descriptions of projects**

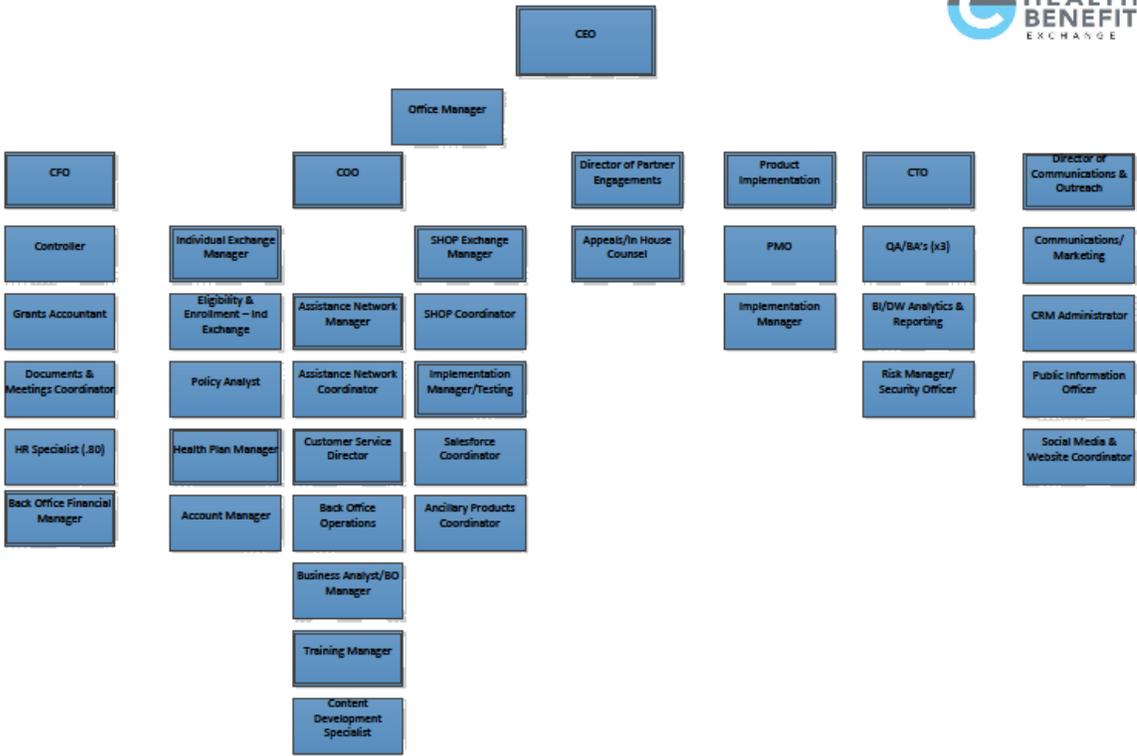
As described earlier in the application, COHBE is coordinating closely with Colorado agencies that are critical to the successful implementation of the Exchange. Representatives from the Department of Health Care Policy and Financing (HCPF), Division of Insurance (DOI) and Office of Information Technology (OIT) have been participating in key meetings over the past year, including evaluations of proposals and interviews with companies that submitted applications to serve as the technology and customer service center business partners and requirements validation sessions. COHBE team members meet weekly with representatives from HCPF and OIT to discuss implementation activities. COHBE and the DOI meet regularly to discuss policy and process issues, including essential health benefits, plan management and QHP certification. The Executive Director of HCPF, Sue Birch, and Insurance Commissioner Jim Riesberg are members of the COHBE Board.

COHBE is preparing to finalize Memorandum of Understanding agreements (MOUs) with HCPF and DOI that will outline the division of responsibilities and the partnerships in the areas of operations and technology with COHBE. These agreements are scheduled to be completed by the July 2013. The agreements will focus on systems interoperability related to enrollment and eligibility, handling of appeals and other business processes, plan management and certification processes and cost allocations for staff resources, services and technology.

## **I. Descriptions of Key Personnel and Organizational Charts**

Key leadership roles were highlighted in Number 9, Organizational Leadership, under Section E, Project Narrative on page 20. The following organizational chart depicts both key and other personnel positions requested in COHBE's Level 2 grant application.

Level 2 Grant  
COHBE Ongoing Staff



## J. Cost Allocation Methodology Appendix

In our 2<sup>nd</sup> Level 1 grant, COHBE requested funds for shared services and interoperability with the Department of Health Care Policy and Financing (HCPF). Based on adjustments made to implement both the Medicaid/CHIP and APTC/CSR eligibility functionality, the total estimated cost allocation is \$1.166 million. This includes the build of technical interfaces, the implementation and configuration of workflow processes, development and testing activities, identity management and document management. Both COHBE and HCPF are committed to ensure these shared services are efficient and provide a positive customer service experience.

Total Cost Allocation	Estimated Cost	Revised COHBE Cost Estimate	HCPF Cost Estimate
	\$4,750,000	\$1,166,667	\$3,583,333

## K. Documentation Supporting Eligibility of Applicant

**Necessary legal authority to establish and operate an Exchange that complies with Federal requirements:** COHBE has the necessary legal authority to establish and operate an Exchange through [Senate Bill 11-200](#), which was passed by the Colorado General Assembly in 2011. In addition, Governor John Hickenlooper sent a [letter](#) to the federal government in October 2012 which articulated Colorado’s intent to build a state-based Exchange. In December 2012, Health and Human Services Secretary Kathleen Sebelius sent Governor Hickenlooper a [letter](#) notifying him that Colorado had been granted conditional approval of its plan to establish a state-based Exchange.

**Established governance structure:** The governance structure for COHBE was established by Senate Bill 11-200, which was passed by the Colorado General Assembly in 2011. That state law creates the Colorado Health Benefit Exchange as a public, non-profit entity that is governed by a Board of Directors, with additional direction from a Legislative Health Benefit Exchange Implementation Review Committee. [The Board](#) of Directors approved Articles of Governance in October 2011 and Governing Principles and Conflicts of Interest policies in December 2011. [Insert link to both documents](#)

**Long-term operational costs:** COHBE utilized a variety of research to establish long-term operational costs and enrollment projections. COHBE took steps early in the planning process to purchase technology systems, as well as other steps to control costs related to staffing and the components of the Customer Support Network. The annual operating budget starting in 2015 is estimated at \$25 million. The largest areas of cost in the budget are associated with maintenance, support, hosting and licensing of the technology systems and software, followed by operations of the Customer Service Center. Beyond those two cost categories, the operating budget includes costs for staffing, communication and outreach materials, the Assistance Network, office expenses and back-office resources.

The sustainability plan has been built to achieve sustainability with conservative – and attainable - enrollment targets. COHBE has a potential customer base of about one million Coloradans, including those who are uninsured, who purchase on the individual market and who obtain coverage through the small group market. Nearly 500,000 Coloradans are believed to be eligible for advanced premium tax credits to reduce the cost of buying private insurance. COHBE’s

sustainability plan is designed to succeed with a total enrollment of 136,300 customers in 2014, 220,000 customers in 2015, 250,000 customers in 2016 and 300,000 customers in 2017. Third, the plan seeks to utilize existing sources of revenue in 2014 to support operations and provide a reserve of funds while enrollment is growing, and then transition in later years to rely fully on revenue tied to enrollment, again based on the conservative targets outlined earlier.

Two significant steps were taken in 2013 to support the sustainability plan. In March, the Board approved a 1.4 percent administrative fee on products offered through the Exchange for coverage year 2014. Also March 21, 2013 state legislators introduced House Bill 13-1245, a bill that will provide funding to operate the Exchange in the early years. HB 13-1245 seeks to implement two components of COHBE's revenue approach, both modeled after current funding for CoverColorado – the state's high-risk pool which will be closing in 2014.

COHBE is also pursuing other revenue sources, such as foundation grants, website advertising and offering other products through other channels. Higher-than-projected enrollments and the ability to generate additional revenue through other sources will allow COHBE to operate without increasing fees on health insurance carriers.

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