

## C. COVER LETTER



Department of Health and Human Services, Office of Consumer Information and Insurance Oversight

The Board of Directors of the Colorado Health Benefit Exchange (COHBE) is pleased to present this application for a cooperative agreement to support establishment of a State-operated health insurance Exchange (Level One) in conformance with Funding Opportunity Number IE-HBE-11-004 (CFDA: 93:525).

Project title: ***Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges Consistent with SB11-200***

Applicant name: ***The Board of Directors of the Colorado Health Benefit Exchange***

The principal investigator / project director is:

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Thank you for this opportunity. We look forward to working with the U.S. Department of Health and Human Services in creating a successful health insurance Exchange.

Sincerely,

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**Patty Fontneau**  
Executive Director, COHBE

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**Gretchen Hammer**  
Chair, COHBE Board of Directors

## D. PROJECT ABSTRACT

**The Board of Directors of the Colorado Health Benefit Exchange (3773 Cherry Creek North Drive, Denver, CO 80209, [www.getcoveredco.org](http://www.getcoveredco.org)) requests a Level One 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 planning activities from October 2012 through July 2013.**

The purpose of the Project is to continue efforts to establish the services and systems to launch Colorado’s new health insurance exchange. 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 with the goal of examining options for expanding affordable health coverage for Coloradans in the public and private sector markets, 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 recommendations from this Commission 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 creates the Colorado Health Benefit Exchange (COHBE) as a public, non-profit entity governed by a Board of Directors and a Legislative Implementation Review Committee. The mission of COHBE 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 potential enrollment of more than 400,000 Coloradans.

In the individual market, COHBE will attract consumers to shop for insurance coverage, compare plans based on quality and price, and enroll. In the small group market, the online distribution of health insurance is not new. Today, group insurance is sold through general agents, brokers, e-brokers, associations and other organizations. COHBE will operate alongside existing carrier and broker sales and distribution channels, offering a high-quality experience tailored to serve small businesses.

Colorado’s Exchange has been built upon a foundation of support from the Governor, legislators, businesses, consumers, health care advocates and providers and other stakeholder groups. From public stakeholder meetings that led to the passage of SB 11-200 to current planning activities, stakeholder participation has been active and substantive. Today, COHBE convenes at least two public meetings per week to discuss planning activities and policies with advisory groups, Board committees and the entire Board. Between 20 and 70 stakeholders and members of the public attend each meeting. All meeting information and key documents are posted on the website, [getcoveredco.org](http://getcoveredco.org). COHBE staff and Board members travel across Colorado for outreach meetings and presentations, speaking to more than 60 organizations with attendance of over 4,000 since the beginning of 2012.

As a new organization, COHBE has established financial, accounting and human resource procedures to ensure responsible management of public funds. After a thorough evaluation process, COHBE awarded a contract in June 2012 to a team of business partners to provide and integrate the technology systems that will serve as the backbone of the Exchange. The Board is following an aggressive schedule to consider and make decisions about policies and approaches to operating the Exchange, with the goal of fulfilling the vision of SB 11-200, ensuring a successful launch and incorporating innovation where possible. Resources from this grant will provide COHBE the resources to meet deadlines for certification, testing and deployment of systems and operations.

## **E. PROJECT NARRATIVE**

With the support of a Planning Grant and a Level One Establishment Grant awarded in February 2012, Colorado has been working intensely to build 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). The Colorado Health Benefit Exchange (Exchange) 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.

### **Colorado Health Benefit Exchange Level One Grant Objectives**

*Continue work to implement the vision and goals for the Colorado Health Benefit Exchange consistent with SB 11-200;*

*Secure staff, consultant and expert resources, and continue to actively engage stakeholders to inform and support Exchange planning and operation activities;*

*Refine a three-year business and operational plan outlining the key activities, timelines, and benchmarks including information technology (IT) infrastructure and functionality, necessary to fully operate in 2014;*

*Establish and integrate the systems and program capacity in core areas, such as IT development, to secure certification of the Colorado Health Benefit Exchange by January 1, 2013; and,*

*Prepare and submit a Level 2 Establishment grant application in 2013 to support full implementation and operation of a Colorado Exchange by January of 2014.*

*Evaluate alternative mechanisms to be self-sustaining by 2015 and complete the development of a financial operating plan.*

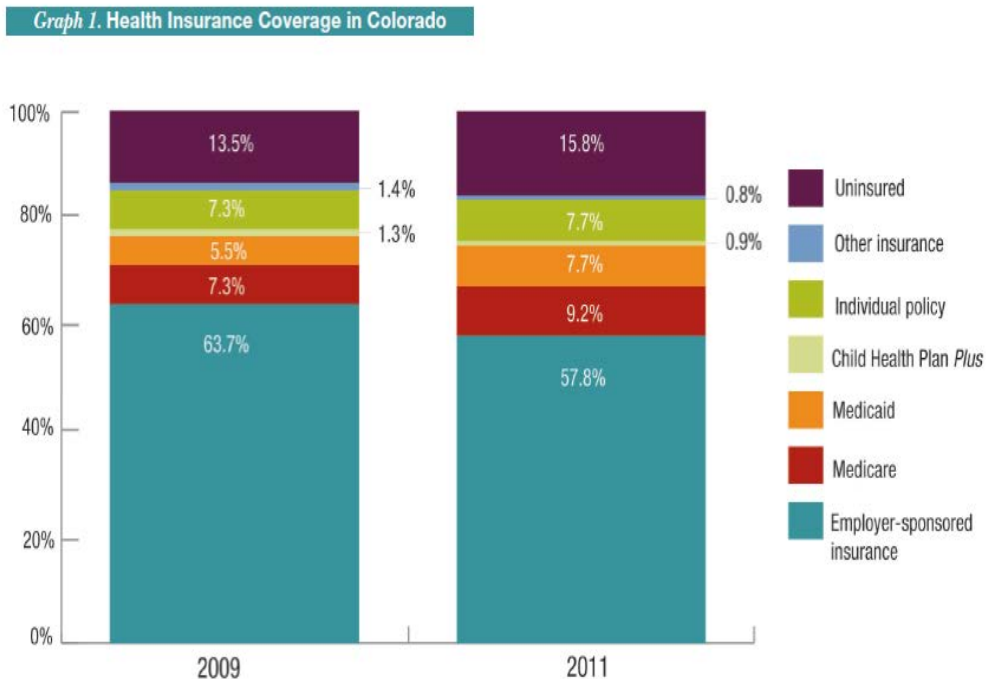
## E.1. Background Research

### Demonstration of Past Progress

Colorado utilized existing background research and conducted additional background research on the current insurance marketplace as well as the State's uninsured and underinsured populations. Subject-matter experts were hired in 2011 to design and conduct an analysis of the current market, including information from the Colorado Division of Insurance and conduct economic modeling to help determine the impact exchanges will have on the market. Consultants projected that, by 2016, as many as 540,000 individuals and small business owners and employees will obtain health insurance using tax credits through the Colorado Health Benefit Exchange. An additional 420,000 could use the Exchange to shop for and purchase coverage without tax credit assistance.

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 estimates 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 Grant in February, COHBE has 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 extensively studied the results of the UX 2014 project, which have provided a great deal of valuable information about effective ways to assist consumers through the shopping and enrollment process.

On the business side, two active stakeholder group partners conducted surveys of small businesses. The Rocky Mountain Employers Health Alliance conducted an online survey of businesses across the state in spring 2012 and presented the findings to the COHBE Board in April 2012. Kaiser Permanente conducted a survey of small businesses in Colorado and distributed its findings to COHBE and the public in June 2012. 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 has 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 will be identified by the third quarter of 2012.

The studies have impacted planning for the Exchange in a variety of areas. 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. And 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 and business operations.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

COHBE maintains a strong commitment to meeting the needs of rural Coloradans, individuals and small businesses. COHBE will continue to seek data about Colorado communities and businesses to inform the design of the Exchange. Additional research may be required to support legal analysis, program design, pricing requirements, system sizing or other elements. Also, additional research of the current individual and small group health insurance market, plan designs, benefit packages, and currently purchased plans may be required. Finally, research on the unique needs of rural Coloradans as they pertain to access, affordability and choice in purchasing health insurance may also be required; 73% of Colorado's 64 counties are frontier (23 counties) or rural (24 counties).

## E.2. Legal Authority and Governance

### Demonstration of Past Progress

**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 Director of the Office of Economic Development and International Trade (or his or her designee). These three State government agencies are primary actors in the provision of public insurance, economic development and insurance policy.

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. There have been semi-monthly meetings throughout 2011 and the first half of

2012. The dates, times, locations, agendas, working materials and products can be found at [www.GetCoveredCO.org](http://www.GetCoveredCO.org). In October, 2011, the Board adopted Articles of Governance and in November, 2011, the Board elected Officers. In July, 2012 the Board of Directors held their first annual meeting and held elections for the Officers for two year terms. In addition, the Board has six committees – Governance, Personnel, Finance, Grant Review, Rules and Regulation Review and Technology and Implementation.

**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, 2012. 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. COHBE remains in regular contact with Review Committee members about planning activities.

**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 a public informational website and posting of key reports and minutes on that site ([www.getcoveredco.org](http://www.getcoveredco.org)). 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.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

The COHBE Board of Directors will continue to meet regularly throughout the project period to continue its work in compliance with SB 11-200, which includes oversight of planning and implementation activities. The Board committees also will continue to meet to review plans in more detail and to develop recommendations to the full Board about implementation approaches. With regard to financial accountability, the Board Finance Committee will continue to review the financial reports monthly and meet regularly to review the financial operations of the Exchange. These meetings are open to the public and financial documents are posted on the website, [www.getcoveredco.org](http://www.getcoveredco.org).

The COHBE Board and Exchange staff will continue to work with the Legislative Health Benefit Exchange Implementation Review Committee to fulfill the requirements of SB 11-200 and to be accountable to the citizens of Colorado. Review Committee members are updated about planning activities and public meetings will continue to be scheduled during the Project period to discuss the implementation of the Exchange.

## E.3. Stakeholder Consultation

### Demonstration of Past Progress

Stakeholders have been engaged in a meaningful way throughout the Exchange development process. 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 ([www.Colorado.gov/healthreform](http://www.Colorado.gov/healthreform)). The culmination of this early outreach was a document entitled "Stakeholder Perspectives: Health Insurance Exchange Governance and Structure," which is posted at [www.getcoveredco.org](http://www.getcoveredco.org). 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).

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 and meet about twice a month to work through policy questions that will be 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, navigators, standard comparative plan information and the health plan certification process. Members of the public participate in person and by phone and all meetings are attended by at least 30 people.

**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 Outreach and Communications Manager 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 is incorporating the comments made during these meetings and previous communication into the planning of the Exchange and anticipates further discussions and meetings to determine how tribal leaders wish to engage the Exchange for its members. 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. The Outreach and Communications Advisory Group assisted with the planning for the consultation meetings in May and with plans for future outreach activities.

**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. The COHBE Executive Director participated in a public webinar with the Colorado Insurance Commissioner and Governor's office on June 20, 2012, to present the state's benchmark plan options. Public meetings to obtain stakeholder input about Essential Health Benefits took place in July, and further stakeholder communications are expected as the state progresses with the EHB process.

**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 late July 2012, more than 450 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. The email distribution list grows every week and more channels for communication will be developed in future months.

**Outreach meetings and presentations:** A formal outreach plan has been drafted and is being refined. In accordance with the plan, COHBE has begun traveling across Colorado to solicit input from stakeholder groups. In late May 2012, in addition to the consultation meetings with Tribal Leaders, COHBE staff held eight other meetings in 2 days in Towaoc, Ignacio, Durango and Cortez. These meetings included hospital and community health clinic administrators, brokers, community organizations, providers and advocates. COHBE staff will continue arranging meetings across the state for the remainder of 2012 and throughout 2013. So far in 2012, COHBE staff and Board members have provided presentations in person, over the phone and through webinars to more than 60 organizations with over 4,000 attendees. With the exception of one national webinar, the events have been focused on reaching stakeholders in Colorado.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

The COHBE Board, staff and partner organizations remain committed to the importance of widespread stakeholder involvement in the planning of the Exchange. The engagement of

stakeholders will continue through 2012 and 2013 via stakeholder membership in advisory groups as well as continuing community outreach by Exchange Board and staff. The outreach plan includes intensified travel across the state and additional focus on rural communities by staff and future staff and consulting resources. To encourage stakeholder participation, especially among Coloradans living outside the Denver metropolitan area, COHBE consistently provides conference call capabilities for all Board and Advisory Group meetings. Webinar capabilities are also being incorporated into meetings.

With respect to tribal outreach, COHBE staff will continue following the consultation plan and follow-up on discussions with tribal leaders about their interests with engaging the Exchange for members. We will also continue to work with Colorado Commission on Indian Affairs and the Lieutenant Governor's office to create the appropriate stakeholder relationship with the Tribes and Native Americans living in urban communities in Colorado.

## **E.4. Long-term operational costs**

### **Demonstration of Past Progress**

Several research and modeling studies are providing input as COHBE is developing financial modeling for the future sustainability of the Exchange. This includes informational discussions with stakeholder groups and outside organizations and analysis of legal considerations.

### **Proposal to Meet Program Requirements Consistent with SB 11-200**

Funds received from this second Level One grant will be used to support the sustainability work by paying for actuarial studies and other activities related to the assessment of funding streams. The negotiated contract and Statement of Work with the organization's technology vendors stabilize costs for the first five years of full functionality (2014-2018). SB 11-200 prohibits COHBE from using Colorado General funds to implement or operate the Exchange.

## **E.5. Program Integration**

### **Demonstration of Past Progress**

The Executive Director of the Department of Health Care Policy and Financing (HCPF) (or his or her designee), the Commissioner of Insurance (or his or her designee), and the Director of the Office of Economic Development and International Trade (or his or her designee) are non-voting ex-officio members of the Colorado Health Benefit Exchange Board of Directors. Leadership and staff from HCPF and the Division of Insurance have been actively involved in Exchange planning activities to ensure that programs share information and functions are not duplicated.

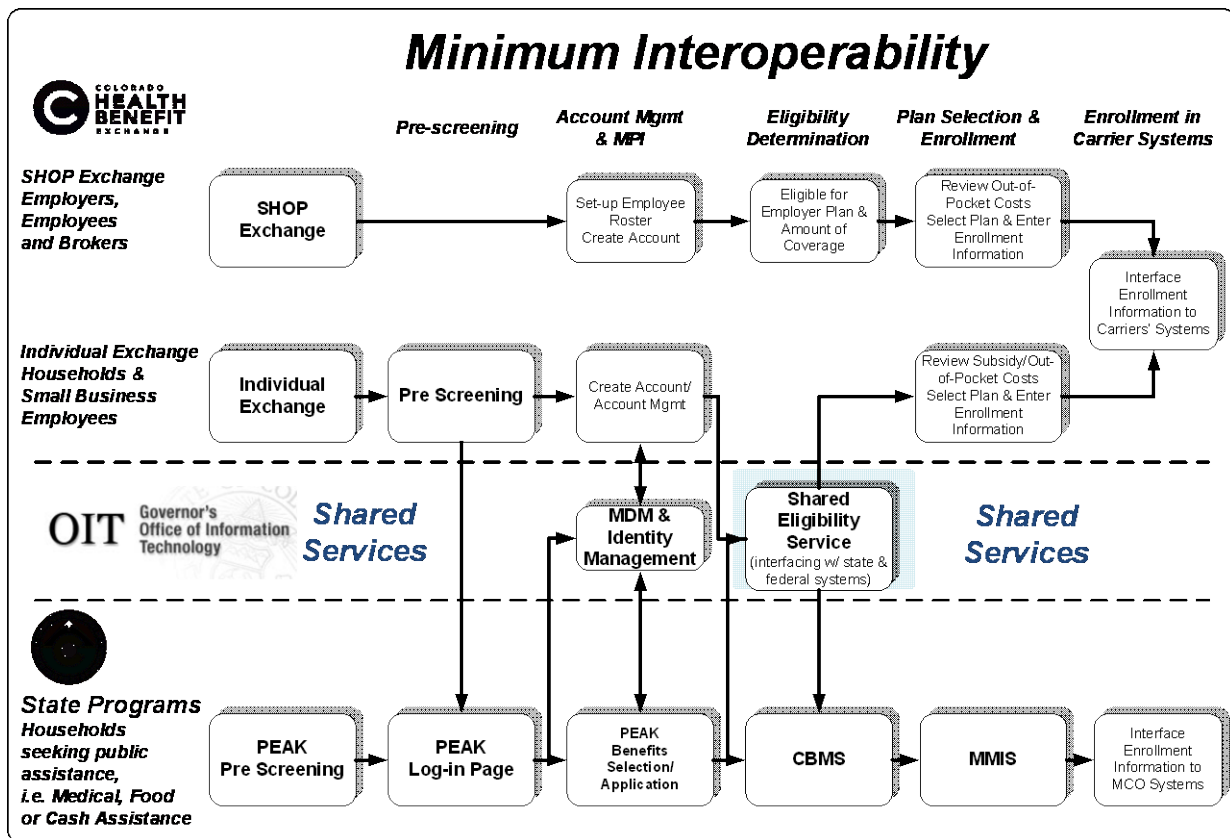
### **Proposal to Meet Program Requirements Consistent with SB11-200**

Program compatibility is a necessary element in successful Exchange implementation. During the Level One grant period Colorado will develop Memorandum of Understanding (MOU) between the appropriate entities that will delineate the specific functions, roles and duties for the establishment of the Exchange. The MOU framework has been researched and there is a plan

to develop the MOUs needed with the state partners by October, 2012.

**Coordination with Medicaid, CHP and other public programs:** In March 2012, the COHBE Board voted to pursue minimum interoperability between the Exchange and State systems. Pursuant to this approach, weekly coordination meetings between the Exchange and the Department of Health Care Policy and Financing (HCPF) and the Office of Information Technology (OIT). HCPF provided input into interoperability requirements for COHBE's Exchange RFP and were represented in COHBE's technology acquisition process. COHBE provided input into the cost allocation section of the HCPF Advance Planning Document (APD). COHBE and the state are currently working on interface designs to support minimum interoperability between the Exchange and state Medicaid and other systems. The Exchange will continue to work closely with HCPF and OIT during system design, configuration/construction, integration testing and deployment.

**Coordination with the Colorado Division of Insurance (DOI):** SB11-200 requires the Exchange to not duplicate the functions of the Division of Insurance. It will be important to assess which functions should lie with the Division of Insurance, the Exchange, or another entity. In general, those aspects of the Exchange regarding statutory regulation of the insurance industry will remain with DOI, including rate review, carrier complaints, licensing 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 DOI in the development of the system for reviewing and approving qualified health insurance plans which meet the requirements of the grant guidance and the State's own needs. DOI and COHBE representatives meet at least twice a month to discuss policy topics and to ensure coordination and that the two groups are duplicating activities.



## E.6. Business Operations of the Exchange

### Demonstration of Past Progress

**Business and Operational Planning:** The initial Level One Establishment Grant is enabling COHBE to begin business and operational planning which will continue under the second Level 1 grant. This includes charting the course for program development, hiring temporary staff for implementation and permanent staff for operations as well as establishing the steady-state business processes and procedures. Many of these operational elements such as implementation of the Exchange technology and the start of building out the customer service center are underway. COHBE is developing a business and operational plan which will include:

- 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 all 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 certification by 11/30/12 and to ensure full implementation of Exchange operations by 10/1/13.

The table below lists Business and Operational Plan Components.

#### Colorado Exchange: Business and Operational Plan Components

##### Eligibility and Enrollment Systems

- Eligibility screening, preliminary eligibility determination and minimum interoperability with the state Medicaid program.
- Use of real-time electronic data sources to verify eligibility for using the Exchange and obtaining premium relief or cost-sharing reductions, where applicable.
- Website functionality for benefit and cost comparisons and a cost calculator.
- Administration of eligibility appeals related to the Exchange.
- Enrollment and disenrollment in health plans, including the function associated with helping individuals and their families choose the right plans via system design and the use of Navigators.
- Customer service center capabilities to support eligibility and enrollment functions across all channels (on-line, phone, mail, etc.)
- Small Business Health Options Program (SHOP) functionality for small employers to provide employee coverage and enrollment of employees and support for the role of brokers in assisting small employers.

### **Other Exchange Functionality**

- Back office functions to support financial transactions related to SHOP.
- Handling of appeals.
- Administration of tax credits and associated electronic reporting.
- Management of all customer interactions including complaints, benefit and coverage appeals and consumer assistance.
- Means for customers to easily provide feedback about the quality of their customer experience.
- Processes for QHP certification and electronic loading of QHPs.
- Processes and enabling technology to capture and display quality rating information.
- Electronic and hardcopy notifications.

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 initial Level One Establishment Grant, which was approved in late February 2012. COHBE has established financial structures to track and to expend 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. Each invoice is reviewed by the responsible staff member to ensure accomplishment and adequate documentation. The Executive Director confirms all documentation and approvals before payment is made. Payment beyond \$25,000 require signature of a Board member in addition to signature by the Executive Director.

**Accounting System:** Due to the limited number of financial transactions during the start-up phase, COHBE currently uses Quickbooks as its primary accounting system. The system is configured with a basic chart of accounts and adheres to Generally Accepted Accounting Principles (GAAP). 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 HealthAion application which includes billing/accounts receivables, payables and a general ledger. This financial management system will be implemented under the CGI contract and integrated into COHBE's financial system. As part of COHBE's business start-up activities under this grant, COHBE will evaluate its requirements for a financial management system and will likely acquire and implement a more sophisticated accounting system.

**Compliance with COHBE Policies, Government Requirements and GAAP with Respect to Exchange Administration:** COHBE is responsible for complying with all grant regulations for all funds under its control, including government regulations pertaining to public non-profit entities. Further, grants are subject to direct audit. COHBE has obtained a Federal Identification number, established a bank account and created a Board Finance committee which oversees adherence to all financial integrity requirements.

**Overall business operations:** All of the business operations components listed in the grant guidance for core areas have been addressed across multiple business areas during the first Level One grant period. Further research and stakeholder discussions occurred during the first Level One Grant project period, leading to the development of policies and processes to inform the technology design and acquisition. In February 2012, the COHBE Board approved a process and schedule to address a list of more than 30 policy and process topics. Most of the topics (delineated below) are part of the Board policy and process document that is posted on the COHBE website and updated regularly based on activities by the Board, staff and Advisory Groups. COHBE participates in numerous government informational forums and reviews applicable guidance as provided and interacts with CGI's federal exchange team and other states. Additional guidance is provided by both the executive and legislative branches of Colorado state government. In addition to the Board's policy and process schedule, many of the relevant topics are being addressed with the input of stakeholders via four Advisory Groups: 1) Individual Experience, 2) SHOP, 3) Health Plan, 4) Outreach and Communications. These Advisory Groups report to the Board and provide stakeholder input into the Board's policy, business and operational decisions.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

**Financial Management Structure:** As with the initial Level One Grant, COHBE is the applicant for this Level One grant. The Board, Executive Director, and Chief Financial Officer have assumed fiduciary duties and responsibility for the implementation of the required financial management structure, including but not limited to accounting, auditing, billing, banking, procurement and risk management. The Executive Director and Chief Financial Officer have developed the required internal financial management and fiscal controls and will continue to enhance these mechanisms during the next grant period. The Board will obtain financial updates each quarter and the Legislative Implementation Review Committee will also be updated about operations. The state enabling legislation, Senate Bill 11-200, includes a provision that directs COHBE to report funds it receives to the Legislative Audit Committee. SB 11-200 also indicates that that funds received by COHBE are subject to audit by the Legislative Audit Committee.

**Overall Business Operations:** As described above, COHBE is working through an extensive number of policies related to operational business decisions which drive definition of and requirements for related business processes. COHBE staff prioritizes and presents policy and related business decisions to the COHBE Board for consideration and votes, where necessary. COHBE will consider all of the available guidance in continuing to develop an Exchange that will address the specific needs of Colorado within the framework of SB11-200. Specifically:

- **Certification, Recertification, and Decertification of Qualified Health Plans:** COHBE Board and staff, plan management professionals and the Division of Insurance are collaborating on developing the processes, systems and organizational structures to support Plan Management activities.
- **Customer Service Center:** COHBE is in final negotiations to obtain services to establish the Customer Service Center including the supporting technology and business processes. COHBE has acquired Customer Relationship Manager (CRM) software, RightNow, to manage customer interactions.

- **Exchange Website and Calculator:** Technology to support calculation of premium subsidies and cost-sharing reductions is included in the Exchange Technology contract with CGI and is currently being implemented.
- **Navigator Program:** COHBE is in the process of formulating a broad-based Navigator program that builds on the extensive network of community-based outreach and enrollment educators. Development of the Navigator program is also being informed by work in other states and the recommendations of Advisory Group members.
- **Utilization of Health Insurance Brokers:** It is recognized that private health insurance companies utilize health insurance brokers as a significant distribution source; they will play an integral part in the Exchange distribution system as it develops.
- **Eligibility Determinations for Exchange Participation:** COHBE is working closely with the state Medicaid agency and the Office of Information Technology to design and implement a shared eligibility service and capabilities to support interoperability.
- **Enrollment Process:** COHBE is beginning the design of enrollment processes and integration of enrollment with eligibility, plan management and financial management processes.
- **Applications and Notices:** COHBE has extensive requirements for implementation of system capabilities to support applications and notices to customers about information they need to know about their health plan enrollment.
- **Individual Responsibility Determinations/ Assessing Requests for Exemptions:** Requirements to support these business processes and the associated technology solutions are currently being evaluated including the potential to use an outside service for exemptions.
- **Handling of Appeals of Eligibility Determinations:** Business processes to support appeals are being coordinated with the state Medicaid agency. Guiding principles for managing appeals have been approved by the COHBE Board and detailed policies and procedures that adhere to these guiding principles are being developed; subsequently the Exchange technology will be configured to support these procedures.
- **Outreach and Education:** COHBE staff and Board members continue to reach out to rural areas and communities across Colorado to educate businesses, individuals, and tribes about the nature and functions of the individual and SHOP Exchange. Input from these groups is critical to inform and shape the design of the technology and service processes in ways that meet Colorado's unique needs. COHBE has developed a detailed Outreach and Communications plan and has begun executing on this plan.
- **Risk Adjustment and Transitional Reinsurance:** COHBE is supporting the DOI in the process of determining how market adjustment mechanisms will be implemented in Colorado and managed in the future.
- **Premium Aggregation:** The COHBE Board voted to initially implement premium aggregation in the SHOP and not in the individual side of the Exchange. This decision will be re-evaluated after an initial operational period. The state's technology solution will

support premium aggregation for the Individual Exchange should the Board, in the future, elect to provide this service.

- **SHOP Exchange-Specific Functions:** COHBE and Advisory groups continue to provide input and recommendations to the Board on SHOP-specific issues regarding the special needs of Colorado's small employers (this is discussed further in section E12).

Additional policies and strategic direction to drive operational decisions and business processes will continue to be developed under the Level One grant period.

## **E.7. IT Gap Analysis and Exchange IT Systems**

### **Demonstration of Past Progress**

During the planning grant period, Colorado made material progress in four key IT areas: (a) Exchange system acquisition, (b) project staffing and organization, (c) project planning and start-up, and (d) project execution.

**Exchange System Acquisition:** In January 2012, COHBE released an RFP for the Individual and SHOP Exchange technology, implementation services, technology hosting and customer service center start-up and operations. Six bids were received. After an extensive evaluation, demos/orals and site visits, COHBE held a best and final round with three vendors. In June 2012, COHBE awarded a contract to a team of contractors including CGI as the systems integrator. COHBE is licensing several software applications directly from vendors to save grant funding.

**Project Staffing and Organization:** COHBE has assembled a relatively small but talented multi-disciplinary team comprised of COHBE employees and contractors. This team provides functional input, project leadership, program management, and technical support in order to oversee Exchange implementation and investment. Contractor resources are used to fill implementation positions. During this grant period, COHBE intends to hire employees to participate in implementation in order to minimize costs and ensure COHBE has a capable and fully trained staff to support operations. A significant reduction of the implementation staff is anticipated after 1/1/14.

**Project Planning and Start-up:** Subsequent to award of the Exchange contract to CGI and its partners, COHBE and CGI have been developing a detailed project plan. In addition COHBE's has instituted 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.

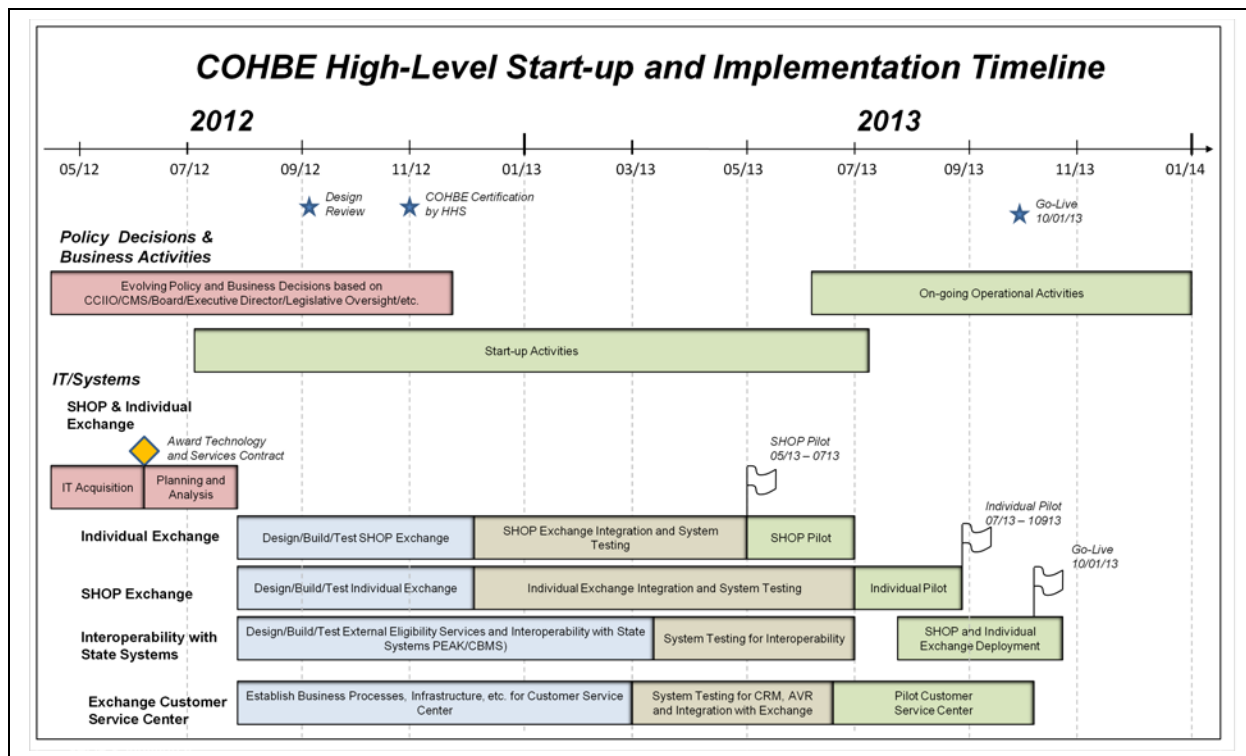
**Project Execution:** Exchange implementation activities commenced in mid-June. The development and testing infrastructure is being created. Requirements validation sessions are underway and preliminary design activities for interfaces to support eligibility interoperability and plan management have been initiated. Final negotiations for the customer service center statement of work are underway. Build-out of the customer service center, definition of business processes and configuration of CRM software will begin in August 2012. All certification Blueprint requirements have been mapped to project activities (as applicable).



Required certification artifacts are being developed in alignment with project deliverables in preparation for the September Design Review.

### Proposal to Meet Program Requirements Consistent with SB11-200

COHBE will use grant funding to continue Exchange implementation activities in accordance with SB11-200. Colorado will continue to develop planning parameters and analysis to guide implementation of Colorado-specific solutions as required by SB11-200.



**Summary of Exchange Initial IT Gap Analysis:** Colorado does not have a state system that can be used for Exchange eligibility or financial systems. State systems were varied, due largely to the different time periods during which they were conceived, designed and developed.

**Applicable Standards:** The COHBE is committed to using the Health Insurance Portability and Accountability Act (HIPAA) adopted transaction standards (e.g., ASC X12N 834, ASC X12N 270, ASC X12N 271) to facilitate transfer of consumer eligibility, enrollment, and disenrollment information between Medicaid, CHIP, and private health plans. Adherence to the National Information Exchange Model (NIEM) framework will enable enterprise -wide information exchange standards and processes to enable automation and real-time sharing in health information for better customer service and more efficient operations. The timing of this project and the evolution of NIEM make it practical to specify NIEM requirements in the solution acquisition. All inbound and outbound interfaces shall comply with NIEM, National Institute of Standards and Technology (NIST), HIPAA-compliant standards, and other standards.

**Evaluation of IT Progress:** Evaluation of IT progress during the Level One grant period will focus on completion of approved project deliverables in accordance with the approved

schedule. The major milestones will be the IT strategy supporting the Exchange business/operational plan, and the solicitation documents setting forth the “system development lifecycle” (SDLC) and applicable service level agreements for Exchange IT development and ongoing operations.

These building blocks include:

- **SDLC.** Adherence to a formal System Development Lifecycle (SDLC) methodology. The methodology will be informed by Federal IT methodology standards, as well as State standards set forth by Colorado’s Office of Information Technology’s (OIT) Chief Information Officer.
- **Deliverables.** Formal SDLC methodologies include the production of specific deliverables for each phase aimed at permitting the Exchange to assess progress toward achieving the IT goals. Approximately 30 deliverables were built into the Exchange technology statement of work. In addition, approximately 20 work products/deliverables have also been identified and integrated into the project plan.
- **Deliverable Baselines.** Measurement baselines for each deliverable are established by a Deliverable Expectation Document (DED). The DED defines the scope of the deliverable in advance; acceptance of the deliverable is in accordance with the pre-agreed upon DED.
- **Requirements Traceability.** A requirements traceability matrix/repository has been established to track all approved requirements. Each requirement will be linked to a design and implementation increment (i.e. agile methodology). Each requirement will be linked to test script(s). Each approved requirement is under configuration management.
- **Independent Verification and Validation (IV&V).** COHBE will have an IV&V vendor on-board in September. The IV&V will provide quarterly reviews of project progress, scope control and quality aspects of the project. The IV&V will also perform independent testing to insure Exchange is performing in accordance to the functional, security and performance requirements.
- **Service Level Agreements (SLAs) governing ongoing operations.** The Exchange technology statement of work delineates an extensive number of key service level agreements for each operational aspect of the Exchange (e.g. availability, performance, continuity of operations, back office operations). These SLAs are available in Appendix D of the COHBE Exchange Technology SOW. SLAs for the customer service center are being negotiated.

## E.8. Reuse, Sharing and Collaboration

### Demonstration of Past Progress

COHBE has taken the initiative to meet with other states in order to make them aware of opportunities to leverage COHBE’s Exchange solution. This includes recent meetings with the states of HI and WY. At the May Exchange Grantee conference in Washington DC, COHBE staff organized representatives from a number of states to share their knowledge and progress in defining their strategies for customer service centers. COHBE has established a collaborative group of states who are using the hCentive application in their Exchange solution to identify requirement enhancements that can be done through a consortium to save grant dollars, save implementation time and to reduce vendor risk and overall project risk.

## **Proposal to Meet Program Requirements Consistent with SB11-200**

COHBE is committed to identifying ways to partner with other states and to leverage the state's Exchange technology solution. COHBE staff will continue the activities identified above and will seek other ways to reach out to states interested in COHBE's Exchange technology solution.

### **E.9. Organizational Structure**

#### **Demonstration of Past Progress**

COHBE has developed a framework for managing and administering business operations that 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, 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 Board of the Colorado Health Benefit Exchange hired Patty Fontneau in December 2011 to serve as Executive Director. Ms. Fontneau is responsible for securing staff and consultants to build and operate the Exchange, which is scheduled to open for business in late 2013.

Patty Fontneau began serving as Executive Director on Dec. 12, 2011. She 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.

### **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.

### **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 the Colorado Health Benefit Exchange 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.

### **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.

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

The Director of Business Development helps COHBE monitors and facilitates growth in accordance with the organization's strategic plan by identifying, assessing and cultivating all business opportunities. This position develops, coordinates and implements marketing plans designed to maintain and capture opportunities that maximize mission impact. They are keenly aware of organizational growth initiatives regarding regional market and target customer segments, and the COHBE's potential to meet customer needs with a product or service.

### **Other Positions**

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

- Business Strategy Manager
- Health Plan Manager
- Customer Service/Call Center Manager/Training
- SHOP Manager
- Navigator Education & Coordination

### **Proposal to Meet Program Requirements Consistent with SB 11-200**

COHBE will grow its organization and follow a schedule of filling the key positions outlined above in compliance with the governing structure established by SB 11-200 and with a focus on reaching the mission of access, affordability and choice outlined in SB 11-200. The positions will include a special focus on the needs of businesses and rural communities and reaching implementation goals.

## **E.10. Program Integrity**

### **Demonstration of Past Progress**

**Financial management:** 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. In May 2012 and June 2012, the COHBE Board approved the following additional policies:

- Financial Reporting Requirements
- Audit Requirements
- Fraud Waste and Abuse
- Consultant Procurement

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.

**Oversight of Technology & Service Contract:** 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.

### **Proposal to Meet Program Requirements Consistent with SB 11-200**

**Financial Management:** COHBE and its CFO will 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 regularly to review finances and address future needs and expenditures.

**Oversight of Technology & Service Contract:** Moving forward, technology and service vendors will comply with the following requirements: The implementation activities are structured around fixed-price payments tied to 40 distinct deliverables. Each deliverable is governed by a Deliverable Expectation Document (or DED). The DED outlines the approach, scope, price, timing and template associated with each deliverable, and must be approved by both COHBE and the vendor on a predetermined schedule long before the deliverable is even drafted. Final payment for the deliverable is based upon the review and acceptance of the deliverable by COHBE. COHBE is withholding 10% of each payment until final acceptance of the Exchange system has been achieved. The support and operations activities are tracked against estimated monthly payments for each of the months following go-live, based on expected volume. A six- month baseline period following go-live will be used to adjust the payment schedule up or down.

## **E.11. Market Reform Requirements**

### **Demonstration of Past Progress**

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.

**Stakeholder Engagement:** The DOI contracted to collect consumer input about what information consumers would like to have about their health insurance premiums, and how they would like to receive the information. The contractor used a variety of methods of obtaining consumer input including interviews with consumer advocates, a survey solicited through a local metropolitan area radio station, and focus groups. The findings from this research have been used to enhance the DOI's consumer pages and conduct outreach activities to educate the public on that new and enhanced information.

The DOI also added a complaint analyst to address consumer complaints about health insurance premium rates and develop reporting for analysis on the number and types of complaints lodged with the DOI on health care premiums. The Colorado Administrative Procedures Act provides for public comment and review on all new and revised regulations when they are being promulgated.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

**Statutory Reform:** The DOI continues to analyze requirements of Exchange-related regulations as they are released, to identify potential statutory revisions requirement for implementation of an Exchange that meet the unique needs of Colorado as required by SB11-200.

**Regulatory Reform:** The DOI will continue its efforts to bring Colorado regulations and regulatory processes into compliance with other requirements where possible to do so within state statute and regulatory processes.

**Stakeholder Engagement:** Currently, the DOI is constructing a strategic plan for its outreach and education efforts related to premiums, purchasing and understanding health insurance, review rates, as well as its role as the Exchange comes online in October 2013. DOI continues to enhance its website information, speaking engagements, and media outreach.

**Consumer Protection:** The COHBE board approved five areas of Fraud, Waste and Abuse oversight to track and monitor. The areas include financial management, technology oversight, Health Plan interface, subscriber data and Privacy and Security. In addition, The certification process for Qualified Health Plans provides for requirements in the following categories, all of which enhance consumer protection: accreditation, complaint data, claim payment disclosures, discriminatory benefit design review, essential benefit validation, financial disclosures, licensure requirements, network adequacy, out-of-network disclosure requirements, quality measures, rate review and solvency requirements. Finally, a free and transparent marketplace with well-informed users of the Exchange will also provide consumer protection for individuals and small businesses in Colorado. Accordingly, Colorado will focus on providing all relevant information and resources to individuals and small businesses utilizing the exchange.

**Adverse Selection:** Issues of adverse selection within and between the Exchange and outside insurance marketplace will require analysis by the DOI to develop mitigation measures and

policies. The current thinking is to treat plans outside the Exchange the same as plans inside the Exchange. The DOI will analyze areas likely to give rise to adverse selection and make recommendations to the Exchange Board and the Colorado General Assembly on policies to reduce, avoid or blunt the effects of adverse selection.

**Risk Leveling Methods:** The DOI is working with the Colorado Governor's Office and other organizations to obtain technical assistance needed to determine Colorado's best course for risk leveling methods.

## E.12. SHOP

### Demonstration of Past Progress

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, tobacco usage, and industry code.

**Stakeholder involvement:** Colorado's path toward establishing an Exchange has been driven, in part, by the involvement of the state's major business organizations, which actively supported the passage of state enabling legislation, SB 11-200. 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. This group conducted a series of meetings and 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 who are currently part of the current state small group market (employers with up to 50 employees until 2016). In April 2012, the COHBE Board voted to move ahead with the recommendation about employer size, pending further guidance and discussion around



business groups of one. Significant focus has been placed on ways to limit adverse selection against the SHOP and small group market as a whole.

In May, 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 group has also discussed the relationship between the Exchange and brokers. COHBE recognizes the importance of brokers to the development of the SHOP.

### **Proposal to Meet Program Requirements Consistent with SB11-200**

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 has released a job announcement for a SHOP Manager to focus solely on developing this part of the Exchange. The SHOP Manager is expected to be hired in August 2012. COHBE will continue to work with the SHOP Advisory Group to develop recommendations for consideration by the COHBE Board, and use those recommendations to design the SHOP. Planning activities with the COHBE technology partners include an emphasis on providing brokers with tools to actively market the Exchange as well as emphasizing the important role brokers will play in the Exchange. COHBE will continue to work to implement business processes to enable employers to use the Exchange efficiently like premium billing and plan selection. The SHOP Manager will lead all of the initiatives, from stakeholder engagement to the development of business processes and marketing campaigns, to establish a SHOP that meets the needs of Colorado small businesses and non-profit organizations.



## Work Plan

<b>F.1. Legal Authority and Governance</b>			
<b>Activity</b>	<b>Milestone</b>	<b>Month / Year for Completion</b>	<b>Responsible party</b>
1. Draft enabling legislation, implementing regulations, or other mechanisms that provide the legal authority to establish and operate an Exchange.	Secure enabling legislation for Colorado Exchange	May 2011 (complete)	State Legislature
2. Introduce Exchange enabling legislation.	Secure enabling legislation for Colorado Exchange	May 2011 (complete)	State Legislature
3. Hold public hearings on Exchange enabling legislation	Secure enabling legislation for Colorado Exchange	May 2011 (complete)	State Legislature
4. Obtain the necessary legal authority to establish and operate an Exchange and provides for establishment of governance and Exchange structure.	Secure enabling legislation for Colorado Exchange	May 2011 (complete)	State Legislature
5. Work with stakeholders to answer key questions about the governance structure of the Exchange.	Establish exchange governance structure	December 2011 (complete)	Board of Directors
6. Determine standards for the Exchange governing body that will ensure public accountability, transparency, and prevention of conflict of interest.	Establish exchange governance structure	December 2011 (complete)	Board of Directors
7. Develop a formal operating charter or by-laws that are consistent with State requirements including public accountability, transparency, and conflicts of interest.	Establish exchange governance structure	December 2011 (complete)	Board of Directors
8. Action by the Board to adopt its Articles of Governance which reflect public accountability, transparency and conflict of interest in alignment with enabling legislation, SB 11-200.	Establish exchange governance structure	July 2011 (complete)	Board of Directors
9. Appoint a governing board and a management team sufficient to oversee the operations of the Exchange.	Establish exchange governance structure	July 2011 (complete)	Governor's office and state legislature
10. Ongoing engagement by the Legislative Health Benefit Implementation Review Committee of the Colorado General Assembly.	Establish exchange governance structure	Ongoing	Board of Directors and Executive Director (ED)

## F.1. Legal Authority and Governance

Activity	Milestone	Month / Year for Completion	Responsible party
11. Exchange application approved.	Exchange Declaration Letter submission.	October 2012	Board of Directors and ED
	Blueprint Submission	November 2012	Board and ED
	Exchange Certification	January 2013	Board and ED

## F.2. Consumer and Stakeholder Engagement and Support

Activity	Milestone	Month / Year for Completion	Responsible party
1. The Exchange has developed and implemented a stakeholder consultation plan that defines how the Exchange will consult with consumers, small businesses, agents/brokers, employer organizations and State agencies and relevant stakeholders as required.	Completion of communications plan.	June 2012 complete	Director of Communications and Outreach
	Ongoing meetings with stakeholders according to plan.	Ongoing	Directors of Communications and Outreach
2. Establish, implement, and document a process for consultation with federally recognized Indian Tribal governments to solicit their input on the establishment and ongoing operation of the Exchange.	Completion of Stakeholder Engagement Process	Dec 2011 (complete)	Director of Communications and Outreach
3. The Lieutenant Governor and Exchange staff has and will continue to engage leadership of Tribes in Colorado directly regarding plan and system design. Outreach will continue beyond 2012.	Ongoing Engagement	Ongoing	Director of Communications and Outreach
4. Publish publicly-available minutes from completed open stakeholder meetings. All minutes of board meetings and work group products appear on the website noted in the narrative.	Update the Public on Stakeholder Engagement	Ongoing	ED

## F.2.Consumer and Stakeholder Engagement and Support

Activity	Milestone	Month / Year for Completion	Responsible party
5. The Exchange has developed and provides culturally and linguistically appropriate outreach and educational materials and auxiliary aids and services to people with disabilities (including information in an alternate format) , regarding eligibility and enrollment options, program information, benefits and services available through the Exchange, SHOP and other Insurance Affordability Programs.	Included in communications and outreach plan, to be operationalized as detailed items in the overall Exchange implementation plan  Verify the system includes requirements to meet 508 specifications.	Ongoing  August 2012	Director of Communications and Outreach  Technology Lead
6. The Exchange has an outreach plan for populations including: individuals, businesses, non-profit organizations, entities with experience in facilitating enrollment such as agents/brokers, small businesses and their employees, employer groups, health care providers, community-based organizations, Federally-recognized Tribal communities, advocates for hard-to-reach populations, and other relevant populations.	Included in communications and outreach plan.  Detailed activities included in Exchange implementation plan	June 2012 (complete)  Ongoing	Director of Communications and Outreach  Director of Communications and Outreach

## F.2.Consumer and Stakeholder Engagement and Support

Activity	Milestone	Month / Year for Completion	Responsible party
<p>7. The Exchange provides for the operation of a toll-free telephone hotline (call center) to respond to requests for assistance from the public including individuals, employers, and employees.</p>	RFP for call center submitted	January 2012 (complete)	ED
	Contract for call center awarded	August 2012	ED
	Call center strategy document that addresses call volume, translation services, etc established	October 2012	Vendor / COO
	Detailed Staffing Projections by month/quarter/year tied to volume forecasts, service level agreements and AHT finalized.	November 2012	Vendor / COO
	Call center implementation plan (timeline, activities, tasks and deliverables) that covers technical, personnel, business process, and other activities is finalized and is managed and monitored by vendor and COHBE.	December 2012	Vendor / COO
<p>8. The Exchange provides translation and oral interpretation services including individuals, employers and employees at no cost to the caller</p>	Call center translation and training processes completed.	September 2013	Vendor / COO

## F.2.Consumer and Stakeholder Engagement and Support

Activity	Milestone	Month / Year for Completion	Responsible party
<p>9. The Exchange provides adequate training and resources to operate the call center including an operating plan and procedures.</p>	<p>Contact Center Methods and Procedures to include Scripting, Escalation, Intervention and Transfers finalized.</p>	<p>April 2013</p>	<p>Vendor / COO</p>
	<p>Key contact center deliverables finalized</p> <ul style="list-style-type: none"> <li>• Training Process (Curriculum, delivery method, Train the Trainer Approach, certification, reporting)</li> <li>• QA Process (sample strategy, Voice Analytics, scoring method, calibration, reporting, input to continuous improvement cycle)</li> <li>• Forecasting Process (Cycle Design w/ Ramp Up-Ramp Down methodology, Inputs, Outputs, Variance, Reporting)</li> <li>• Real Time Monitoring and Operations (KPI/SLA, Upload/Access, Exception Management, Escalation, Reporting)</li> <li>• Management Reporting Package (Scheduled, On Demand, Custom Requests)</li> <li>• Continuous Improvement Process</li> </ul>	<p>September 2013</p>	<p>Vendor / COO</p>

## F.2.Consumer and Stakeholder Engagement and Support

Activity	Milestone	Month / Year for Completion	Responsible party
10. The Exchange has established and maintains an up-to-date Internet Web site that provides timely and accessible information on QHPs, Insurance Affordability Programs, SHOP and other relevant items.	Requirements for web site included system design.	July 2012 (complete)	Technology Lead
	Brand strategy and URLs selected	March 2013	Director of Communications and Outreach
	Web sites implemented	October 2013	Technology Lead
11. The Exchange has established or has processes in place to establish and operate a Navigator program, including the development of training and conflict of interest standards and adheres to privacy and security standards	Navigator policy approved	August 2012	ED/ COO
	Navigator operational plan and strategy established	November 2012	ED / COO
	Completed initial navigator training	October 2013	ED / COO
	Plan for ongoing navigator training and outreach agreed	July 2013	ED / COO
12. The Exchange has clearly defined the role of agents and brokers including evidence of licensure, training and compliance with applicable regulations.	Broker policy approved	August 2012	ED
	Broker operational plan and strategy established	November 2012	ED/ COO
	Completed initial broker training	October 2013	ED / COO
	Plan for ongoing broker training and outreach approved	July 2013	ED / COO

## F.3.Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
1. The Exchange has developed and will use,a single, streamlined application to determine eligibility and collect information that is necessary for enrollment in a QHP for the individual market and for insurance affordability programs. The Exchange has developed and will use an-approved application for SHOP.	RFP for technology and services vendor submitted	January 2012 (complete)	ED
	Technology contract awarded	June 2012 (complete)	ED
	E&E Requirements verified	July 2012 (complete)	Technology Lead
	Application Policy agreed	August 2012	ED
	E&E Design complete	December 2012	Vendor

### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
<p>2. The Exchange has developed and documented a coordination strategy with other agencies administering Insurance Affordability Programs and the SHOP that enables the Exchange to carry out E&amp;E activities</p>	High level context diagram finished	May 2012 (complete)	Technology Lead
	Interface requirements validation session complete, MOUs identified	August 2012	Technology Lead
	Detailed interface plan including data elements, anticipated source and communication protocol has been approved and communicated to stakeholders.	August 2012	Vendor
	MOUs with external agencies signed.	October 2012	Technology Lead / PMO
<p>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).</p>	E&E requirements validation finalized.	July 2012 (complete)	Technology Lead / PMO
	E&E business process maps approved.	August 2012	Vendor
	System design complete for E&E components including redeterminations and re-enrollment.	December 2012	Vendor
	E&E business processes documents finalized.	June 2013	ED / COO
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
	System implemented	October 2013	ED



### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
<p>4. The Exchange has the capacity to send notices including notices in alternate formats and multiple languages; conduct periodic data matching; and conduct annual redeterminations and process responses in-person, online, via email and over the phone.</p>	Requirements validation for notices finalized	August 2012	Technology Lead
	Notices business processes maps approved	August 2012	Vendor
	Notices text and business process docs approved	June 2013	ED
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
<p>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.</p>	Comprehensive list of data sources identified in interface design plan	August 2012	Vendor
	Description of verifications processes finalized	September 2012	Vendor
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
<p>6. The Exchange has the appropriate privacy protections and capacity to accept, store, associate and process documents received from individual applicants and enrollees electronically, and the ability to accept, image, upload, associate, and process paper documentation received from applicants and enrollees via mail and/or fax.</p>	Document management requirements finalized	August 2012	Technology Lead
	System Security Plan (SSP) submitted	October 2012	Vendor / COHBE security analyst
	System security plan (SSP) review completed	January 2013	CMS
	Safeguard procedure report (SPR) completed	October 2012	Vendor / COHBE security analyst
	SPR review completed	January 2013	IRS

### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
<p>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 CHIP based on MAGI.</p>	E&E requirements validation finalized.	July 2012 (complete)	Technology Lead/ PMO
	E&E business process maps approved.	August 2012	Vendor
	System design completed for eligibility requirements.	December 2012	Vendor
	E&E business processes documents finalized.	April 2013	ED / COO
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
	System successfully implemented	October 2013	ED
<p>8. The Exchange has the capacity to determine eligibility for APTC and CSR including calculating maximum APTC.</p>	Approach for APTC determination approved.	August 2012	ED
	APTC/CSR requirements validation finalized.	August 2012	Technology Lead
	APTC/CSR business process maps approved.	August 2012	Vendor
	System design completed for eligibility requirements.	December 2012	Vendor
	Interface plan approved.	August 2012	Vendor
	E&E business process documents finalized.	June 2013	Vendor
	Successful completion of governmental test summary	June 2013	PMO
IV&V report submitted	September 2013	IV&V vendor	

### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
<p>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.</p>	Requirements validation for notices finalized.	August 2012	Technology Lead
	Notices business process maps approved.	August 2012	Vendor
	Notices business process documents finalized.	June 2012	Vendor
	Notices text approved	June 2013	ED
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
<p>10. The Exchange has the capacity to accept applications and updates, conduct verifications and determine eligibility for individual responsibility requirement and payment exemptions.</p>	E&E requirements validation finalized. .	July 2012 (complete)	Technology Lead
	E&E / exemptions business process maps established.	September 2012	Vendor
	E&E / exemptions system design completed.	December 2012	Vendor
	E&E / exemptions business process documents finalized.	April 2013	ED / COO
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor

### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
<p>11. The Exchange has the capacity to support the eligibility appeals process and to implement appeals decisions, as appropriate, for individuals, employers and employees</p>	Appeals framework approved.	July 2012 (complete)	ED
	Appeals requirements validation finalized.	July 2012 (complete)	Technology Lead / PMO
	Appeals business process maps approved.	August 2012	Vendor
	Appeals system design completed.	December 2012	Vendor
	Appeals business process documents finalized.	July 2013	ED / COO
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
<p>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</p>	Plan selection / reconciliation requirements validation finalized.	July 2012 (complete)	Technology Lead / PMO
	Plan selection / reconciliation business process maps approved.	August 2012	Vendor
	Plan selection / reconciliation system design approved.	December 2012	Vendor
	Plan selection / reconciliation business process documents finalized.	July 2013	Vendor
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor

### F.3. Eligibility and Enrollment

Activity	Milestone	Month / Year for Completion	Responsible party
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	Eligibility and APTC/CSR requirements validation finalized.	August 2012	Technology Lead
	Business process maps for eligibility interoperability approved.	August 2012	Vendor
	System design completed for eligibility and APTC/CSR requirements.	December 2012	Vendor
	Interface plan completed.	August 2012	Vendor
	Successful submission of intra-governmental and system test summaries	June 2013	PMO
	IV&V report submitted	September 2013	IV&V vendor
14. The Exchange has a transition plan for high risk pools including State-based PCOP programs and other similar programs.	Risk pool policy established	October 2012	ED
	Plan for transition developed based on policy	December 2012	COO

### F.4. Plan Management

Activity	Milestone	Month / Year for Completion	Responsible party
1. The Exchange has the appropriate authority to perform the certification of QHPs and to oversee QHP issuers.	Secure enabling legislation for Colorado Exchange	May 2011 (complete)	State Legislature

## F.4. Plan Management

Activity	Milestone	Month / Year for Completion	Responsible party
<p>2. The Exchange has a process in place to certify QHPs pursuant to requirements and according to QHP certification requirements. Develop document that describes how the Exchange will ensure that the issuers and health plans meet each of the QHP certification standards. Include the process that the Exchange will use to evaluate issuers and plans including any differences specific to SHOP. Provide a description of the entities responsible for QHP certification and describe roles and responsibilities of each entity as they relate to each of the QHP certification standards. Describe the integration between the Exchange and the DOI.</p>	Plan and Carrier certification policies approved	August 2012	Health Plan Manager
	Plan and Carrier certification and appeals approach and roles/responsibilities defined and agreed. MOU with DOI completed.	October 2012	ED
	Plan management business processes maps approved.	August 2012	Vendor
	Plan and Carrier certification business process documents finalized.	May 2013	Vendor
	Process to review and improve certification process in place	September 2013	Health Plan Manager
<p>3. The Exchange uses a plan management system(s) or processes that support the collection of QHP issuer and plan data, facilitates the QHP certification process, manages QHP issuers and plans, and integrates with other Exchange business areas including the Exchange Internet Web site, call center, quality, eligibility and enrollment and premium processing.</p>	Plan management requirements verified.	July 2012 (complete)	Health Plan Manager
	Plan management business processes maps finalized.	August 2012	Vendor
	Determination of whether the Exchange / DOI will use SERFF or other system for plan management functions.	August 2012	ED / DOI
	System design complete for plan management components.	January 2013	Vendor
	Plan management business process documents finalized.	May 2013	Vendor
	Successful submission of intra-governmental and system test summaries	June 2013	Vendor
	IV&V report submitted	September 2013	Vendor

## F.4. Plan Management

Activity	Milestone	Month / Year for Completion	Responsible party
<p>4. The Exchange has the capacity to ensure QHPs ongoing compliance with QHP certification requirements, including a process for monitoring QHP performance and collecting, analyzing and resolving enrollee complaints.</p>	<p>Agreement on the integration between the Exchange and other State agencies (DOI) for monitoring and complaints management finalized</p>	<p>August 2012</p>	<p>DOI / COHBE</p>
	<p>Business process map for plan monitoring and complaints management established.</p>	<p>September 2012</p>	<p>Vendor</p>
	<p>Business process documents for plan monitoring and complaints management finalized.</p>	<p>May 2013</p>	<p>Vendor</p>
<p>5. The Exchange has the capacity to support issuers and provides technical assistance to ensure ongoing compliance with QHP issuer operational standards</p>	<p>Carrier support approach defined</p>	<p>November 2012</p>	<p>ED / COO Health Plan Manager</p>
	<p>Carrier technology / operations advisory and support group established</p>	<p>June 2012 (complete)</p>	<p>COO</p>
	<p>Carrier training developed and executed</p>	<p>July 2013</p>	<p>COO</p>
<p>6. The Exchange has a process for QHP issuer recertification, decertification, and appeal of decertification determinations.</p>	<p>Plan and Carrier certification and appeals policies approved</p>	<p>September 2012</p>	<p>Health Plan Manager</p>
	<p>Plan management certification and appeals business processes maps approved.</p>	<p>October 2012</p>	<p>ED</p>
	<p>Plan and Carrier certification and appeals business process documents finalized.</p>	<p>May 2013</p>	<p>Vendor</p>
	<p>Process to review and improve certification process in place</p>	<p>September 2013</p>	<p>Health Plan Manager</p>

## F.4. Plan Management

Activity	Milestone	Month / Year for Completion	Responsible party
7. The Exchange has a set timeline for QHP issuer accreditation. The Exchange also has systems and procedures in place to ensure QHP issuers meet accreditation requirements as part of QHP certification in accordance with application	Market survey to determine appropriate accreditation for issuers	September 2012	Health Plan Manager / DOI
	Define timeline for accreditation	November 2012	Health Plan Manager / DOI
	Communicate timeline to carriers	November 2012	Health Plan Manager / DOI
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.	Plan quality reporting policy approved	September 2012	Health Plan Manager
	Technology to accept quality data designed	December 2012	Vendor
9. Establish Health Plan advisory group to assist in policy decisions related to issuers	Health Plan advisory group established.	May 2012 (complete)	ED
	Carrier technology / operations advisory and support group established.	June 2012 (complete)	Technology Lead

## F.5. Financial Management

Activity	Milestone	Month / Year for Completion	Responsible party
1. Manage the planning grant consistent with grant requirements.	Adhere to financial monitoring activities under the Establishment Cooperative Agreement	Ongoing	CFO
2. Adhere to Financial monitoring requirements.	Adhere to financial monitoring activities under the Establishment Cooperative Agreement	Ongoing	Board of Directors and Executive Director
3. Appoint Board Finance committee.	Define financial management structure and the scope of activities required to comply with SB11-200	January 2012 (complete)	Board of Directors
4. 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.	Define financial management structure and the scope of activities required to comply with SB11-200	January 2012 (complete)	Board of Directors, ED and CFO



## F.5. Financial Management

Activity	Milestone	Month / Year for Completion	Responsible party
5. The Exchange is committed to hiring highly qualified professionals in all levels of the financial management of the Exchange. The CFO is expected to be recruited and hired by the Executive Director (ED) at the inception of the Level One grant.	Establish a financial management structure and commit to hiring experienced accountants	June 2012 (complete)	ED
6. ED will hire staff during the grant period.	Establish a financial management structure and commit to hiring experienced accountants	Ongoing	ED

## F.6. SHOP

Activity	Milestone	Month / Year for Completion	Responsible party
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. These include: <ul style="list-style-type: none"> <li>a. The capacity to allow a qualified employer to select a metal tier and allow employees to select from all QHPs within that level for coverage. Other coverage options may also be made available to employees</li> <li>b. If minimum participation is required</li> <li>c. The capacity to define set contribution amounts or percentages</li> </ul>	Small group size policy approved	May 2012 (complete)	ED
	Employer and employee choice policies approved	August 2012	ED
	Small group size calculation confirmed	November 2012	ED
	SHOP requirements validated	August 2012	Technology Lead
	SHOP business process maps approved	September 2012	Vendor
	SHOP system design completed	November 2012	Vendor
	SHOP Pilot deployed	May 2013	Technology Lead
	SHOP business processes documented.	September 2013	Vendor
2. The SHOP has the capacity to ensure that all QHP issuers make rate changes at a uniform time that is either quarterly, monthly or annually and has the capacity to prohibit all QHP issuers from varying rates for a qualified employer during the employer's plan year.	Roles and responsibilities for issuer oversight with DOI agreed.	October 2012	COHBE / DOI
	Business processes to ensure that issuers do not vary SHOP rates during plan year finalized	September 2013	TBD

## F.6.SHOP

Activity	Milestone	Month / Year for Completion	Responsible party
3. The SHOP has the capacity to offer small employers only QHPs that meet the requirements for the State's small group market	Verification whether the Exchange has a requirement to allow carriers to identify a plan as available in the individual Exchange, the SHOP Exchange or both received.	August 2012	Health Plan Manager / DOI
4. The SHOP has established a premium calculator to facilitate the comparison of available QHPs after the application of any applicable employer contribution in lieu of any advance payment of the premium tax credit and any cost sharing reductions.	SHOP requirements verified, including the need for a premium calculator.	August 2012	Technology Lead
5. The SHOP is compliant with regulatory requirements.	<p>Small group size policy agreed</p> <p>Employer and employee choice policies approved</p> <p>Small group size calculation confirmed</p> <p>SHOP business processes finalized.</p>	<p>May 2012 (complete)</p> <p>August 2012</p> <p>November 2012</p> <p>May 2013</p>	<p>ED</p> <p>ED</p> <p>Health Plan Manager / DOI</p> <p>Vendor</p>
6. The Exchange has the capacity for SHOP premium aggregation.	<p>SHOP premium aggregation policy approved</p> <p>SHOP requirements validation finalized</p> <p>SHOP business process maps approved.</p> <p>System design completed for SHOP components.</p> <p>SHOP business processes, including premium aggregation and reconciliation finalized.</p> <p>Successful submission of intra-governmental and system test summaries IV&amp;V report submitted</p>	<p>May 2012 (complete)</p> <p>August 2012</p> <p>August 2012</p> <p>December 2012</p> <p>May 2013</p> <p>June 2013</p> <p>September 2013</p>	<p>ED</p> <p>Technology Lead</p> <p>Vendor</p> <p>Vendor</p> <p>Vendor</p> <p>COHBE PMO</p> <p>IV&amp;V Vendor</p>

## F.6.SHOP

Activity	Milestone	Month / Year for Completion	Responsible party
7. The SHOP Exchange has the capacity to electronically report information to the IRS for tax administration purposes.	High level context diagram complete – includes IRS interface finalized	May 2012 (complete)	Technology Lead
	Interface requirements validation session complete, MOUs identified	August 2012	Technology Lead
	Detailed interface plan including data elements, anticipated source and communication protocol finalized and published.	August 2012	Vendor
	System design completed for SHOP components.	November 2012	Vendor
	Successful submission of intra-governmental and system test summaries	June 2013	COHBE PMO
	IV&V report submitted	September 2013	IV&V Vendor
	Safeguard procedure report (SPR) completed	October 2012	Vendor / COHBE security officer
	SPR review finalized.	January 2013	IRS
8. The Exchange has established a SHOP Experience Advisory group to assist in SHOP policy decisions, and design items	SHOP Advisory Group established	May 2012 (complete)	Board of Directors

## F.7.Organization and Human Resources

Activity	Milestone	Month / Year for Completion	Responsible party
1. The Exchange has an appropriate organizational structure and staffing resources to perform Exchange activities.	Operational organizational chart defined	July 2012 (complete)	CFO
	Roles and responsibilities defined	September 2012	CFO
	Hiring strategy defined	September 2012	CFO
2. The Exchange has an adequate staffing plan – including hiring, training, oversight and monitoring call center resources.	Call center operations plan and processes finalized	April 2013	Vendor / COO

<b>F.8.Finance and Accounting</b>			
<b>Activity</b>	<b>Milestone</b>	<b>Month / Year for Completion</b>	<b>Responsible party</b>
1. The Exchange has a long term operational budget and management plan, monitors its finances, and is able to track its costs and revenues.	Budget and management plan defined	August 2012	CFO
	Budget monitored	Ongoing	CFO
2. The Exchange has defined methods for generating revenue (e.g., user fees) and has the appropriate legal authority to support this method.	Sustainability model approved.	Q3 2012	ED
3. The Exchange has defined procedures to ensure appropriate oversight of all budget and cost items to avoid fraud, waste and abuse of funds.	Fraud, waste and abuse polices approved	September 2012	CFO / Board
	FWA processes developed	December 2012	CFO

<b>F.9.Technology</b>			
<b>Activity</b>	<b>Milestone</b>	<b>Month / Year for Completion</b>	<b>Responsible party</b>
1. The Exchange technology and system functionality complies with relevant IT guidance.	Regular meetings with CMS IT resources established to review and discuss technology issues and decisions.	March 2012 (complete)	Technology Lead
2. The Exchange has the adequate technology infrastructure and bandwidth required to support all of the Exchange activity	Sizing estimates finalized.	August 2013	ED / COO/ Technology Lead
	Technical requirements for sizing estimates completed.	August 2013	Technology Lead
	Volume test plan approved	December 2012	Vendor
	Volume test finalized	July 2013	Vendor
	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>	May 2013	Vendor

## F.9. Technology

Activity	Milestone	Month / Year for Completion	Responsible party
3. The Exchange effectively implements IV&V, quality management, and test procedures for Exchange development activities.	IV&V RFP submitted	September 2012	COHBE PMO
	IV&V vendor selected	October 2012	ED
	IV&V vendor final report submitted	September 2013	IV&V Vendor
4. The Exchange demonstrates it has achieved essential functionality for each required activity	CMS planning gate review successfully completed	March 2012 (complete)	ED
	CMS design review successfully completed	September 2012	Vendor / PMO / Technology Lead
	CMS Pre-Operational review successfully completed	September 2013	Vendor / PMO / Technology Lead
5. The Exchange has created appropriate oversight to manage and monitor the technology vendor.	Fixed price contract terms and conditions agreed	June 2012 (complete)	ED
	Deliverable review process agreed	June 2012 (complete)	COHBE PMO
	Change management process agreed	August 2012	Vendor /Technology Lead / PMO
6. The Exchange has appropriate oversight of dependent project and/or appropriate contingency plans in the event that dependent projects are unable to meet critical milestones.	Delivery oversight team, consisting of leadership from all dependent projects and vendors convened.	July 2012	ED / Technology Lead
	Risk management plan developed.	August 2012	Vendor

## F.10. Privacy and Security

Activity	Milestone	Month / Year for Completion	Responsible party
<p>1. The Exchange has established and implemented written policies and procedures regarding the Privacy and Security standards.</p>	Security consultant hired	August 2012	Technology Lead
	Security policies for employees of the Exchange, including call center staff, defined. These policies will include HIPAA compliance, PIA compliance, and computer security compliance.	December 2012	ED / COO
	Training on all security policies complete for staff and contractors prior to go-live	March 2013	CFO / COO
	Ongoing training/ new hire training defined, scheduled and in-place.	March 2013	CFO / COO
<p>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.</p>	System Security Plan (SSP) completed	October 2012	Vendor / COHBE security analyst
	System security plan (SSP) reviewed successfully	January 2013	CMS
	Safeguard procedure report (SPR) finalized	October 2012	Vendor / COHBE security analyst
	SPR reviewed successfully	January 2013	IRS
<p>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</p>	IRS Safeguard procedures report completed	October 2012	Vendor / COHBE security analyst
	Letter from IRS confirming the Exchange has met SPR policies received.	January 2013	IRS

## F.11.Oversight, Monitoring and Reporting

Activity	Milestone	Month / Year for Completion	Responsible party
1. The Exchange has a process in place to perform required activities related to routine oversight and monitoring of Exchange activities (and will supplement those policies and procedures to implement all appropriate regulations).	Oversight policies agreed	May 2012 (complete)	CFO
	Oversight policies developed and implemented.	November 2012	CFO
2. The Exchange has the capacity to track and report performance and outcome metrics related to Exchange Activities and SB2011-200 including annual reports.	Define financial reporting policies and standard list of reports	May 2012 (complete)	CFO
	Develop and implement financial and quality reporting processes	December 2012	CFO
3. The Exchange has instituted procedures and policies that promote compliance with appropriate financial integrity provisions including requirements related to accounting, reporting, auditing, cooperation with investigations, and application of the False Claims Act.	Determine which financial or accounting standards the Exchange will use (e.g., GAAP)	May 2012 (complete)	CFO
	Define financial reporting policies and standard list of reports	May 2012 (complete)	CFO
	Verify that reports are generated by system and/or other tools.	June 2013	Vendor

## F.12.Contracting, Outsourcing and Agreements

Activity	Milestone	Month / Year for Completion	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.	Vendor selection policy developed	February 2012 (complete)	CFO
	Vendor tracking system implemented	July 2012 (complete)	PMO

## **G. Budget Narrative**

The Colorado Health Benefit Exchange (COHBE) offers several value propositions to individuals and small group employers who will utilize the Exchange to purchase health insurance products. In Colorado, each of these two groups of purchasers will have their own unique shopping experience via the Individual Exchange and the SHOP Exchange.

Users of the Individual Exchange will have unprecedented access to a variety of health plans on a “marketplace” that allows them to make “apples-to-apples” comparisons. COHBE’s Navigator Program and Customer Contact Center will aid individuals with the purchase of health insurance even if they do not have access to the COHBE system via the on-line website. COHBE is committed to provide individual consumers with a world-class shopping experience, including all the support needed to simplify plan selection and purchasing.

Small employers, with up to 50 employees, will use the SHOP Exchange to enroll in insurance plans for their employees. Expanded choice is a major advantage for small employers, and it will happen in two ways (1) employers may elect to provide their employees with the opportunity to select from more than one carrier, more than one plan, and even more than one tier of plans, and (2) we anticipate that small businesses that wish to use trusted advisors will have the opportunity to do so with access to all plans sold on the Exchange. Most importantly, transparent and clear product offerings greatly enhance the shopping experience for small business owners.

### **Contractual - Technology**

The Contractual Category is reserved for technology services and licenses provided by vendors, most of who have already been identified under the RFP process managed during COHBE’s first Level One grant period.

**CGI** will provide all services required to implement the Individual and SHOP Exchanges, to deliver fully operational Exchanges, and to transition them from implementation to steady state operation after completion of the post Go-Live implementation support. CGI will structure the system with a modular design comprised of configurable commercial-off-the-shelf (COTS) products plus modifications integrated around a Service Oriented Architecture (SOA)-based Enterprise Service Bus (ESB). CGI will also provide technical interoperability with multiple federal and state systems required to operate Individual and SHOP Exchanges.

CGI will deliver an Individual Exchange that meets COHBE’s functionality requirements as outlined in SB11-200 and the business areas of such an Exchange including Eligibility, Enrollment, Plan Management, and Financial Management. CGI will provide functionality for premium aggregation and payment processing for the SHOP Exchange, and provide the capability to provide premium aggregation and payment processing for the Individual Exchange. The SHOP Exchange will have its own web pages that will have the same features and meet the same capability, performance and other requirements of the Individual Exchange website. CGI was selected using a formal RFP process under the terms of COHBE’s Procurement Policy.



**Oracle** is providing software to support Exchange implementation and operations. Products include the SOA Suite and the RightNow CRM application to support the customer service center. Oracle products were proposed as part of the CGI Exchange architecture. COHBE elected to license these products directly from Oracle (rather than including these in the CGI contract) in order to reduce federal funding requirements and COHBE's on-going operational costs.

**hCentive** is providing the Exchange software application to enable eligibility determination, plan selection and enrollment capabilities. The application includes software to operate the Individual and SHOP Exchanges. COHBE elected to license this product directly from hCentive (rather than including these in the CGI contract) in order to reduce federal funding requirements and COHBE's on-going operational costs.

**HealthAction** is providing the Exchange software application to enable billing/accounts receivables. COHBE elected to license this product directly from hCentive (rather than including these in the CGI contract) in order to reduce federal funding requirements and COHBE's on-going operational costs.

### **Salaries and Wages**

The positions of all full and part-time staff members in the organization are reflected in the attached Grant Request Spreadsheet (GRS). At this period in the life of the Exchange, the staff will take the organization from planning & design into the build-out of the IT systems to launch the pilot programs for initial small business and individual consumers.

The GRS provides detail for each staffing position, the name of the staff member if known, the annual salary, the percentage of time budgeted for the program, the actual or anticipated hire date, the quarterly budget for the position and the breakout by core area. The grant period of October 16, 2012 through July 15, 2013 is sectioned into three quarters – (1) October 16, 2012-January 15, 2013, (2) January 16, 2013-March 15, 2013, and (3) March 16, 2013-July 15, 2013. COHBE made considerations for two levels of staffing, *Ongoing Staff* and *Implementation Only Staff*. Developing staffing levels clarifies the organization's overall strategy and helps define sustainable budgeting.

The personnel expenses shown for this application are not funded under any other sources. As represented in the supplied Organizational Charts, COHBE is arranged into 5 primary functional areas:

**Oversight and Support** – (Executive Director, the PMO, administrative staff, and Legal) these positions manage and assist in the administration of the overall operations of the Exchange.

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.

**Operations, Policy & Business Strategy** – (COO, Health Plan Manager, Business Strategy Manager, Shop Manager, Call Center/Customer Service/Training Manager, Navigator Education

& Coordinator, and supporting staff) these positions provide 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. Management and operations of the SHOP Exchange is supported by staff members in this area. The work performed by these crucial positions governs the way in which the organization will operate when the technology is in place and enrollment begins. There are positions in this area that will phase out as the organization transitions beyond its initial implementation phase.

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.

**Technology** – (technology lead and support staff) these positions manage the technology vendor, shape design of the exchange, and ensure interoperability and quality. The technology staff will expand and contract as necessary to allow the fluidity needed to manage technology and testing activities while maintaining for fiscal responsibility. Several consulting positions support this area of focus including IV&V and testing professionals.

**Outreach and Business Development** – (communications and business development staff) these staff members are responsible for informing all stakeholders of the activities of the Exchange, and most importantly, delivering information throughout communities to create the interest in and knowledge about the Exchange required to drive enrollment.

**Finance, Compliance & Procurement** – (CFO, Accounting, and Grant Compliance) this staffing area is 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.

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.

Any consultants to the Exchange are classified as such and are shown in the Consultant Costs portion of the Application.

### **Taxes, Insurance and Benefits**

The rates for employment taxes, insurance and benefits on the GRS reflect the employer-paid costs that are federally and state mandated, as well as benefits provided to personnel including health care coverage, 403b plan, and disability insurance.

### **Consultant Costs**

The Exchange will utilize consultants for roles that are needed for a finite period. Consultant positions listed in the GRS directly impact COHBE's ability to execute the requirements outlined

in the Blueprint for Approval of Exchanges document issued by CCIIO. If a Master Services Agreement and Statement of Work have been negotiated, the consultant has been listed in this narrative. Consulting costs are detailed in the GRS. There are no benefits paid to any consultants.

The consultant positions include:

**IT Project Management, Eligibility & Interoperability** (GMS Enterprises LLC): This group is primarily 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. The following consultants will work with the IT Project:

- Security/Privacy
- Technical Architect
- Business Intelligence
- Data Warehousing
- 508 Compliance
- IT Testing
- Eligibility & Interoperability

**Program Management Office (PMO)** (North Highland): This function 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. COHBE developed a comprehensive statement of work (SOW) with its PMO to ensure the correct level of oversight, monitoring and accountability exist for all phases of the Exchange planning and implementation. The SOW includes the development of the PMO structure, evaluation of resources, reporting, management of vendor program-level deliverables, and develop a change management plan.

Independent audit firm to perform Financial and A-133 Audit annually (Kunding, Corder & Engle, P.C.)

**IV & V:** This function verifies and validates the execution of the technology aspects of the project. IV&V provides independent monthly reviews of project status and identifies recommendations and correlative actions. Intermittent IV&V reviews include examination of project documents such as project plans, scope statements, acquisition documents, design documents, test plans and post-implementation support plans, as well as support for organizational structure for systems management. The IV&V contractor plays a large part in reporting to the appropriate board committees on activities and risks.

**Contact Center Specialist** (Eventus): A successful call center is a key element to facilitating enrollment in the Exchange. This consultant group will support vendor management for the contact center partner. Support includes oversight and reporting on contact center launch activities such as staffing, management activity and quality

assurance. The Contact Center Specialist will provide gap analysis and develop structure for business reviews.

**Business Process Design:** Market-facing business processes developed during the Level One grant period include reviews of best practices from other states and coordination across departments in state government. Given the accelerated development time frames for COHBE, resources are required to coordinate business processes required under the Blueprint for Approval issued by CCIIO.

**Legal:** Legal support for contract negotiations, appeals processes, legal interpretation on state and federal laws.

**CBMS Interoperability:** Expertise is needed around the technical interoperability between COHBE and CBMS, which is the system used by the State to determine eligibility for their medical and financial assistance programs. This position would support all aspects of the interface and work plan and would work in conjunction with both CBMS staff and COHBE's technology team.

**Forms and Rate Review Analysis:** Support is needed specific to Rate Review and Form Review. These positions will work on the products offered through the Exchange, work with carriers regarding requirements, review forms submitted by carriers, and assist with compliance.

**Actuarial Support & Market Analysis:** This function provides COHBE with the technical support to estimate the degree of demand in various demographic groups as well as the ability to size the Exchange to meet that demand. Actuaries will assist with scalability planning by providing information related to concerns of the Exchange such as market dynamics and statistical input around a transitional enrollment market.

**Market Sustainability Assessment:** The Exchange must work to have a sustainable business plan before the end of the Level One grant period. To achieve this objective, work must be done related to gathering a better understanding of the segmented Colorado marketplace that will benefit from the Exchange and to understand how the Exchange may affect the insurance marketplace throughout the state.

**Operational Consulting:** During the Level One grant period, the environment of COHBE is changing at a rapid pace. The consultants in this group provide temporary services and support required to carry out operational functions on the accelerated time frames required.

### **Travel**

In-state travel by COHBE staff provides outreach and education to stakeholders and consumers about the purpose and function of the exchange. During the second level one grant period, COHBE's staff has scheduled fifty-one trips to rural Colorado and communities outside the Denver metro area to encourage widespread involvement and input into the Exchange activities.

Additional travel is required to attend Exchange implementation meetings and conferences, and to meet with governing organizations and other state Exchange participants. All travel is expected to either directly support the operations of the Exchange or to provide meaningful opportunities to streamline processes and policy discussions.

All travel by COHBE employees must be in accordance with the organization's Travel Policy. Mileage for business use of personal vehicles will be at the current IRS rate. Air travel is based upon estimated costs for an economy ticket from Denver to the destination city. Hotels, rental cars, meals, and parking reimbursements are based upon average fees and the GSA per diem schedule for the travel destination or region. Detailed travel expenses for each trip or type of trip is outlined in the GRS. Below are descriptions for each category of travel expense scheduled:

**Travel:** Travel requested will facilitate Exchange planning and meetings with key stakeholders. One trip per quarter is expected to the east coast for implementation meetings for two COHBE staff members. An additional trip is expected to the west coast. All other travel is for key stakeholder meetings throughout the state in areas listed such as Grand Junction, Pueblo, Greeley, and Durango. The key stakeholder meetings are expected to take place at least two times.

**Operations, Policy, and Business Strategy:** Meetings for the Health Plan / Business Strategy group have been slated for Washington DC, Atlanta, Houston, and within Colorado. These meetings are related to plan management, integration of the SERFF system, and within the state, to meet with key carriers who are not headquartered in the Denver metro area. Two Policy meetings are scheduled.

**Communications, Outreach, Business Development & Training:** Travel for the Outreach and Business Development staff throughout the state is for consumer education & outreach purposes to areas such as Colorado Springs, Alamosa, Ft. Collins, and the Tribal regions of Southwestern Colorado. The critical objective of this outreach is to inform communities about the Exchange, to ensure those interested in enrolling have access to the system, to support stakeholders and to provide training.

### **Equipment**

Items shown in this category are tangible property with a useful life of more than one year and a cost of \$5,000 or more per item. These items include specific types of computer hardware and furnishings to support the staff activities for the Exchange. Details on the quantity and cost are included in the GRS. Also included in this category are necessary Leasehold Improvements that will be capitalized by the organization under its Financial Policies. It is the expectation of COHBE that these items will become property of the recipient at the end of the grant period, as they are instrumental to the success of the organization and the program.

### **Supplies**

Supplies include paper, pens, ink, staplers, notebooks, etc. required for staff to perform their job duties. Electronic items that do not meet the \$5,000 threshold as defined under the Equipment Category will be classified as a supply expense. These items include laptops, stationary computers, phones, and other miscellaneous hardware. Licensing fees for software required by staff to manage the operations and provide financial oversight are included in the Supplies

Category – expected software acquisitions include SharePoint for document management, CRM software, Visio, Microsoft Office Suite, Adobe, etc.

### **Other**

The Other Category includes direct costs for the Exchange that are not categorized elsewhere. The detail for each type of expense, and when it is expected to occur, is shown in the GRS. Generalized cost categories are outlined below:

Office and related occupancy expenses: Rent – 9 months for 33 staff members and on-site consultants, maintenance, copier, printing – business cards, educational/sales materials, paper and envelopes telecom – telephone service, conferencing service and IT – wireless and internet, and document shredding are necessary for the business operations of the Exchange.

Productivity support expenses: Training for staff members related to Exchange activities and specific types of professional development, business consortium memberships, educational certification, and reference materials are required for staff competency;

Communications, outreach and marketing expenses: Beginning in the fall of 2012 and continuing through Exchange operations, COHBE will develop and implement a strategy for informing the Colorado marketplace about the service offerings of the exchange and how subscribers will access and utilize the website and contact center to purchase health insurance products. For a successful program, the Exchange must attract hundreds of thousands of Coloradans by creating an education and marketing campaign that spans throughout the state. Additional goals of this program will be to educate Coloradans about health insurance options and to reduce the number of uninsured in the state. The campaign to ensure utilization will include: Materials to provide information to community members and stakeholders about the Exchange, a marketing and communications plan, conferences and meetings hosted by COHBE to support consumer education, media buys and costs associated with the development of training programs;

Business Support & Miscellaneous: SERFF Business Requirements, board expenses, bank fees, Insurance – general liability, E&O, Employee Dishonesty and Cyber Insurance, and Recruiting fees if required to staff 6 of the 27 new positions.

### **Direct Costs**

The total of the Direct Costs requested in this application is \$43,486,746.

### **Indirect Costs**

There are no Indirect Costs requested in this application.

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

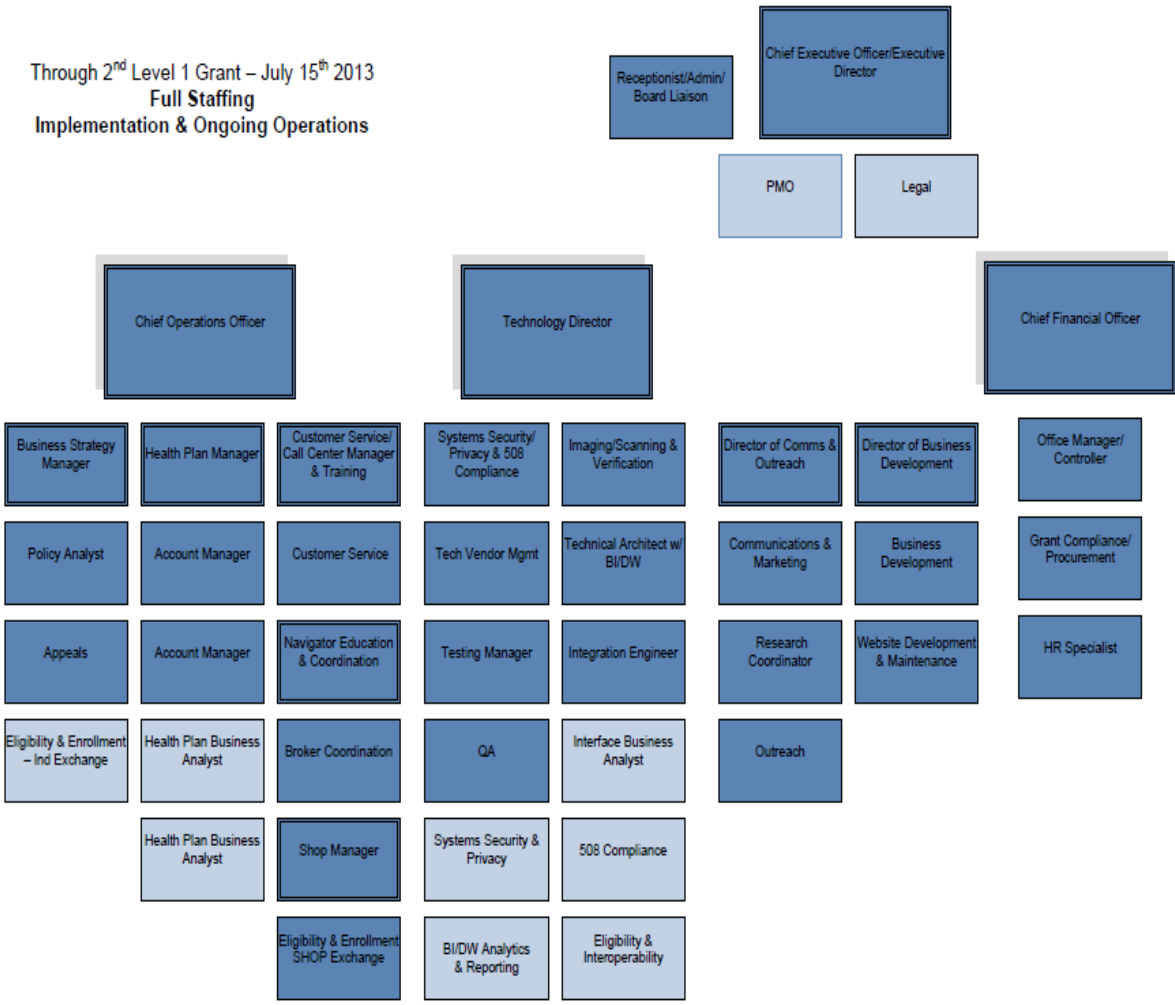
As described earlier in the application, COHBE is coordinating closely with Colorado agencies that are critical to the successful implementation of the Exchange. Representatives from the Department of Health Care Policy and Financing (HCPF), Division of Insurance (DOI) and Office of Information Technology (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 the Medicaid agency (HCPF) and OIT to discuss implementation issues. 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 the Department of Health Care Policy and Financing, the Office of Information Technology and the Division of Insurance 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 in October 2012. 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. Description of Key Personnel & Organizational Chart**

Key personnel positions are described above in section E.9.

## Key Personnel and Organizational Chart – Through Implementation





## Key Personnel and Organization Chart – Post Implementation

