

Office of Consumer Information and Insurance Oversight**State Planning and Establishment Grants for the
Affordable Care Act's Exchanges****Reporting Requirement****Quarterly Project Reports****Date:** January 31, 2011**State:** Mississippi**Project Title:** Mississippi Insurance Department Health Insurance Exchange
Planning Grant Report I**Project Quarter Reporting Period: Quarter 1 (09/30/2010-12/31/2010)****Grant Contact Information**

Primary Contact Name: Aaron Sisk
Primary Contact Number: 601-359-3577
Primary Contact Email Address: aaron.sisk@mid.state.ms.us

Secondary Contact Name: Liz Barnett
Secondary Contact Number: 601-359-3657
Secondary Contact Email Address: liz.barnett@mid.state.ms.us

Website (if applicable): www.mid.state.ms.us

Award number: 1 HBEIE100039-01-00

Date submitted: 9/30/2010

Project Summary

Mississippi diligently began working on its proposed grant activities as soon as the grant was awarded in late September. The Mississippi Insurance Department ("MID") began developing plans to include early stakeholder involvement, on-going public awareness, a health insurance market analysis, regulatory actions, and a strategic planning project.

MID placed emphasis on early stakeholder involvement and began activities to ensure participation in the planning process. On July 1, 2010, the Mississippi Health Exchange Study Committee ("Committee") was established in Mississippi Senate Bill No. 2554. MID staff met with the Committee three times including a Stakeholder Summit with Committee members and other interested parties.

The MID grant project Director conducted several presentations during the first quarter to various groups in order to gain public awareness about Exchanges. Mississippi's activities related to Exchange planning was also shared with these groups. A list of these groups is provided later in this report.

MID made plans in the first quarter to retain consultant services for providing the background research needed for the Exchange planning. A Request for Quotes was issued for these services and a vendor was selected. The actual contract and work did not begin until the first part of the second quarter.

Regulatory actions for the establishment of an Exchange were required in the first quarter in order for the draft legislation to be introduced early in the 2011 Mississippi State Legislative session. To date, three bills have been introduced in the session, but the final outcome will not be known until the second quarter.

The strategic planning project included issuing a Request for Proposals ("RFP") for consultant services to assist with the many activities related to the thorough planning of a health insurance Exchange in Mississippi. These activities will address six of the core areas and include Stakeholder Involvement, Program Integration, Resources and Capabilities, Finance, Governance, and Business Operations. The RFP process will not be completed until the second quarter.

MID's plans focused on all the core areas and included the following continuing activities:

Core Areas

- **Background Research**

1. **Name of Milestone:** **Consultant Search**

Timing: **Process started in Quarter I**

Description:

Mississippi began the process to retain consultants to conduct a comprehensive analysis of the State's health insurance market. MID selected a consultant in the first quarter, but the actual contract was not finalized until January 2011. The following activities in this core area will be concluded in the grant's second quarter:

1. Assistance to state officials in developing a plan to promote partnerships in order to achieve broad agreement among all involved parties, including formation of State coalitions and promotion of interactions across and within State agencies and programs.
2. An initial demographic analysis of the health insurance market in Mississippi, including research to determine the number of uninsured in the State, those uninsured that are potentially eligible for the Exchange, those uninsured that are eligible for Medicaid, and those uninsured with employer coverage available but that are not currently enrolled.
3. A preliminary analysis of eligibility for and enrollment in Medicaid, CHIP, the Exchange, and other State programs.

4. Direct research and analysis aimed at quantifying the potential market to be served by the expansion of Medicaid and the establishment of subsidized coverage through the Exchange.
5. Assistance to state officials in conducting an analysis of existing health plans and benefits in Mississippi utilizing existing resources such as the State Health Access Data Assistance Center ("SHADAC").
6. A feasibility assessment of the establishment of the Exchange and to assess issues related to different Exchange "models" among the different sectors of the population.

• **Stakeholder Involvement**

1. Name of Milestone: Exchange Study Committee Meetings

Timing: Early in Quarter I

Description:

MID placed its main emphasis on this core area and immediately began activities to gain stakeholder involvement. On July 1, 2010, Mississippi Senate Bill 2554 became effective and the Mississippi Health Exchange Study Committee ("Committee") was created. The Committee, comprised of thirteen members, was convened along with additional interested stakeholders including members of the MS Joint House and Senate Public Health and Medicaid Committees, and representatives of the National Council for State Legislatures. The Commissioner of Insurance conducted a presentation on Exchanges and MID staff was available to answer questions.

The MID grant project Director presented information on Exchanges during another Committee meeting in November as well as the Exchange Summit Meeting in December. Agendas for these meetings are in Attachment B.

2. Name of Milestone: Exchange Summit Meeting

Timing: Quarter I

Description:

MID hosted a "Stakeholders' Summit" in December 2010 with over 100 participants. They included members of the Exchange Study Committee, members of the Mississippi House and Senate, and representatives of State health agencies, health insurance companies, business groups, and various health providers and associations. Mississippi's Governor Haley Barbour spoke at the beginning of the meeting and Lieutenant Governor Phil Bryant shared remarks during the working lunch. The meeting included presentations on the Patient Protection Patient and Affordable Care Act ("PPACA"), health insurance Exchanges, and MID's proposed Exchange legislation. MID was pleased to have Barbara Meynard, Acting Director, State Exchange Group in the Office of Consumer Information and Insurance Oversight ("OCIIO"), to attend the summit meeting and meet with MID staff. Plans are to conduct similar activities to ensure continued stakeholder involvement as the planning process progresses.

3. Name of Milestone: Exchange Public Awareness

Timing: Quarter I

Description:

The MID grant project Director conducted several presentations on Mississippi's activities related to the planning and implementation of the Exchange to a variety of groups during the first quarter. The public awareness activities targeted the following groups:

1. Association of Insurance Compliance Professionals (AICP) in Atlanta, GA
2. Mississippi Manufacturers Association, Jackson, MS
3. Mississippi Bar Association, Jackson, MS
4. Mississippi Exchange Study Committee, Joint House & Senate Public Health & Medicaid Committees, and National Council for State Legislatures (NCSL), Jackson MS
5. Mississippi State Medical Association Council on Legislation, Jackson, MS
6. MS State University Stennis-Montgomery Association, Starkville, MS
7. Exchange Study Committee, Jackson, MS
8. Whiteboard Session with various Stakeholders, Jackson, MS
9. Stakeholders' Summit with Exchange Study Committee and Members of the MS State Legislature, Jackson, MS
10. Mississippi Primary Health Care Association Community Forum, Ridgeland, MS
11. OCIO Exchange Planning Grantee Meeting, Panel on "State Experiences in Exchange Planning: Getting Started", Washington, DC

4. Name of Milestone: Travel to National Meetings

Timing: Quarter I

Description:

MID sent three staff persons to Washington, DC to attend the HHS Exchange Planning Grantee Meeting in December. This was an excellent opportunity to meet HHS staff and representatives from other states. MID's Grant Project Director participated on a panel to share Mississippi's experiences in Exchange planning.

• Program Integration

1. Name of Milestone: Governor's Staff Meetings

Timing: Four during Quarter I

Description:

MID has met several times during the quarter with the Governor's health reform advisory staff for input on and planning of the Exchange. Constant communication is on-going to keep the staff informed of MID's grant activities.

2. Name of Milestone: Medicaid Director and Staff Meetings

Timing: Four meetings during Quarter I

Description:

MID staff met with the Director of the MS Division of Medicaid and his staff to discuss the planning activities for an Exchange and the need for program integration. This core area will also be addressed in the strategic planning project planned to begin in February 2011.

• Resources & Capabilities

1. Name of Milestone: Initial Assessment of Resources and Capabilities

Timing: Early Quarter I

Description:

MID conducted an initial assessment of Mississippi's current resources and capabilities and made a determination that the current human capital and resource needs are limited in order to effectively plan for the Exchange. MID will be addressing the needs in this area in the strategic planning project that is planned to begin in February 2011.

• Governance

1. Name of Milestone: Drafted Legislation

Timing: Late in Quarter I

Description:

MID staff began work in the first quarter on proposed legislation for creation of an Exchange in order to be introduced in the 2011 Mississippi Legislative session that began January 2011. The proposed legislation includes language addressing the Exchange structure and governance. MID will not know the outcome of the legislation until the second quarter of the grant reporting cycle. Further assistance with other issues related to governance will be obtained in the strategic planning project planned to begin in February 2011.

2. Name of Milestone: Legal Consultants

Timing: Late in Quarter I

Description:

MID began the process of obtaining additional legal services late in the first quarter to assist with the draft legislation and to provide guidance on Exchange legislation and the anticipated Department of Health and Human Services ("HHS") Exchange Regulations. A contract will be completed in the second quarter.

• Finance

1. Name of Milestone: Strategic Planning for Finance

Timing: Quarter II

Description:

MID included this core area in its strategic planning project to begin initial steps in identifying funding requirements associated with designing and building an Exchange.

MID will identify systems to ensure secure and confidential data and safeguarding transactions. A needs assessment of the financial functions and sources will be conducted to work toward self-sustainability in the beginning of 2015. Note that the strategic planning project will not begin until February 2011.

• **Technical Infrastructure**

1. **Name of Milestone:** Initial IT Assessment

Timing: Quarter I

Description:

The Management Information Systems staff in MID began preliminary review of the current technical infrastructure and resources. MID will conduct an assessment in the strategic planning project to determine the State's current capabilities and compare them to the core technical requirements and components required to operate an Exchange.

• **Business Operations**

1. **Name of Milestone:** Strategic Planning for Business Operations

Timing: Quarter I Initially

Description:

This area will be the framework for the development and implementation of an Exchange. The business operations for implantation are listed in the attached draft work plan and include, but are not limited to, the following:

- Enrollment and Eligibility
- Plan qualifications, bidding, and comparison
- Administration of premium credits and cost-sharing assistance
- Electronic Calculator
- Risk Adjustment
- Navigator Program
- Eligibility Determination
- Enrollment Process
- Applications and Notices

• **Regulatory or Policy Actions**

1. **Name of Milestone:** Legal Services

Timing: Quarter I

Description:

MID is in the process of retaining legal consultants, who will work with staff in identifying additional regulatory actions that may be required, as well as assisting with the forthcoming regulations. The contract was prepared in the first quarter and is currently in the Mississippi procurement process for professional legal services. These services will not be obtained until the second quarter of reporting.

Barriers, Lessons Learned, and Recommendations to the Program

The major barriers associated with the implementation of this project during the first reporting period were time and Mississippi’s procurement process for professional services. Mississippi agencies have to obtain prior approval from other regulatory State agencies to obtain legal and consulting services. The process is lengthy and time-consuming and two months were not long enough to complete these procurements. The legal services must first be approved by the MS Attorney General’s office. Further, all requests for professional services must ultimately be approved by Mississippi’s Personal Services Contract Review Board (“PSCRB”). They meet once a month and the contracts and the process documentation must be submitted fifteen (15) working days prior to their scheduled meeting for agenda action. Given that the RFP process takes a minimum of forty-five (45) days, the contract and paperwork for the strategic planning project will not be submitted until the second quarter. In addition, the approval for the legal services is even lengthier and will not be approved until the second quarter.

Lessons learned include staying informed in all areas of healthcare reform and involved in activities that provide the relative information. MID has been very dedicated in weekly conference call attendance to stay informed of national developments, other states’ activities, and issues that may arise. MID sent three staff persons to the Exchange Planning Grantee Meeting in December and the Project Director participated on a panel during the two day meeting. This involvement has been beneficial in addressing the various planning issues related to Exchanges.

Technical Assistance

MID does not anticipate any technical assistance needed at this time. Once the strategic planning project gets underway, there may be specific areas that technical assistance may be required.

Draft Exchange Budget

MID included the development of an Exchange Implementation budget in the strategic planning project. The draft budget will be addressed in the second reporting quarter. The budget will follow the guidelines provided in the recent HHS Exchange implementation funding opportunity to states. MID will have a much better idea of these costs and additional resources that will be needed moving forward in the planning process.

Function	FFY 2011	FFY 2012	FFY 2013	FFY 2014
A. Salaries and Wages				
B. Fringe Benefits				
C. Consultant Costs				
D. Equipment				
E. Supplies				
F. Travel				
G. Other				
H. Contractual Costs				
I. Direct Costs				
J. Indirect Costs				

Work Plan

MID will build on its Exchange planning grant work plan for the Exchange implementation efforts. The results from the early background research and the outcomes from the various stages of the strategic planning project will be used to identify the activities that have not yet been addressed and expand the objectives for implementation. The draft work plan is provided in Attachment A and was based on the requirements for the draft implementation work plan in the recent HHS Exchange implementation funding opportunity to states. The work plan is an evolving document and will be expanded to include objectives and milestones. Details for the subsequent years will be added as MID continues with its planning process and complete implementation efforts by January 1, 2014.

Collaborations/Partnerships

MID has developed several partnerships outside the department and continues to collaborate with various groups and interested parties to work together for Exchange planning to meet the needs of Mississippi. The MID is working with the following groups:

1. Name of Partner: Governor's Health Reform Advisory Staff

Organizational Type of Partner:

- State agency

Role of Partner in Establishing Insurance Exchange:

Guidance is provided to MID on the Governor's views and input for an Exchange. The Governor has been a strong supporter for implementing a State health Exchange for the last three years.

Accomplishments of Partnership:

MID has a very good relationship with this partner, which has made the grant activities and proposed Exchange legislation efforts possible.

Barriers/Challenges of Partnership: Challenges may arise in 2012, when a different governor begins a new administration.

2. Name of Partner: Mississippi Senate Insurance Committee

Organizational Type of Partner:

- State Legislature

Role of Partner in Establishing Insurance Exchange:

MID has a strong relationship with the Chairman and members of the MS Senate Insurance Committee who can assist with proposed legislation.

Accomplishments of Partnership:

The Committee Chair is the principal author of the current 2011 Senate Bill creating the "Mississippi Health Benefit Exchange Act".

Barriers/Challenges of Partnership:

Multiple bills have recently been introduced in the 2011 Legislative session and the outcome is difficult to determine at this time.

3. Name of Partner: Department of Medicaid Director and Staff

Organizational Type of Partner:

- State Agency

Role of Partner in Establishing Insurance Exchange:

Medicaid provides funding for medical services for low-income individuals. This partnership is essential in the coordination of eligibility and enrolment with other state programs in the Exchange.

Accomplishments of Partnership:

MID has met with the Medicaid Director and staff to ensure collaboration and participation in the planning process for additional state health program integration in the Exchange.

Barriers/Challenges of Partnership: None at this time.

4. Name of Partner: Mississippi Association of Health Underwriters (“MAHU”)

Organizational Type of Partner:

- Association of licensed agents and brokers who sell and market most of the health plans sold in Mississippi.

Role of Partner in Establishing Insurance Exchange: The Association is a strong advocate ensuring continued access to the services of state-licensed health insurance agents, brokers, and consultants who help individuals and employers of all sizes purchase health insurance. Consumers' need for help from a licensed professional will only increase as the new health reform law is fully implemented and the compliance demands on employers and individuals increase.

Accomplishments of Partnership: MID has a strong relationship with MAHU. This partner's membership distributes most of the health insurance products in Mississippi.

Barriers/Challenges of Partnership: A challenge may arise if support for healthcare reform changes within the membership.

5. Name of Partner: Blue Cross/Blue Shield of Mississippi

Organizational Type of Partner:

- Private Insurance

Role of Partner in Establishing Insurance Exchange: This company is the largest private insurer in Mississippi and MID has enjoyed a strong working relationship with them over the years. The company is the administrator for the State of Mississippi public employees' health plan.

Accomplishments of Partnership: The company has extensive expertise in all aspects of health program management along with a positive working relationship with MID. They will be a significant partner going forward in the Exchange.

Barriers/Challenges of Partnership: Blue Cross/Blue Shield has a significant advantage over other competitors due to its existing health insurance market share. A challenge may occur when other smaller carriers want to participate in the Exchange.

6. **Name of Partner:** Mississippi Comprehensive High Risk Pool Association

Organizational Type of Partner:

- Nonprofit entity

Role of Partner in Establishing Insurance Exchange:

Experience in establishment and operation of a health insurance nonprofit. The Association provides health coverage to citizens of Mississippi that desire to purchase such coverage but who cannot obtain it because of health conditions and for people who are Health Insurance Portability and Accountability Act ("HIPAA") eligible.

Accomplishments of Partnership: MID will be able to build on this partner's experience when establishing the Exchange.

Barriers/Challenges of Partnership: None at this time.

ATTACHMENT A

**MISSISSIPPI INSURANCE DEPARTMENT
EXCHANGE ESTABLISHMENT
DRAFT WORK PLAN**

CORE AREA	2011	2012	2013	2014
1. Background Research	Utilize data analysis of insurance market and recommendations from consultants who conducted research during the second quarter of the planning grant to determine structure and design.			
2. Stakeholder Consultation	<ul style="list-style-type: none"> ▪ Continue stakeholder involvement and meetings, expanding participation from groups from all regions of the State. ▪ Identify a process for consultation with and input from federally recognized Indian Tribal Governments on the establishment and operation of the Exchange. 			
3. Legislative/Regulatory Action	<ul style="list-style-type: none"> ▪ Determine any additional legislation required to comply with Federal requirements. ▪ Determine need for public hearings on Exchange. 			
4. Governance	<ul style="list-style-type: none"> • Basic Governance will be determined in the 2011 MS Legislative Session. • Determine any addition requirements to ensure: <ul style="list-style-type: none"> ▪ Public accountability ▪ Transparency 			
5. Program Integration	<ul style="list-style-type: none"> ▪ Expand program integration to include additional State health programs as appropriate to promote collaboration for Exchange operation. ▪ Identify challenges in the program integration process, strategies for mitigating the issues, and timelines for completion. ▪ Determine of the roles and responsibilities related to eligibility determination, verification, and enrollment. 			

**STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT'S EXCHANGES
REPORTING TEMPLATES**

OMB #0938-1101

	<ul style="list-style-type: none"> ▪ Devise a strategy for limiting adverse selection between the Exchange and the outside market, possibly including legislative changes if required. 			
6. Exchange IT Systems	<ul style="list-style-type: none"> ▪ Continue to review the gap analysis of existing systems and the anticipated systems for development by 2014. ▪ Complete the review of product feasibility, viability, and alignment with Exchange program goals and objectives. ▪ Develop a process to capture updates and changes to business and system requirements, development, testing, and implementation of Exchange IT Systems. 			
7. Financial Management	<ul style="list-style-type: none"> ▪ Define the financial management structure and the scope of activities required to comply with requirements. ▪ Plan for hiring experienced accountants to support financial management activities of the Exchange, which include responding to audit requests and inquiries of the Secretary and the Government Accountability Office as needed. 			
8. Oversight & Program Integrity	Continue the planning process for the prevention of waste, fraud, and abuse related to the Exchange Planning and Exchange Establishment grants to ensure program integrity.			
9. Health Insurance Market Reforms	Plan and implement steps for insurance market reforms under Subtitles A and C of the Affordable Care Act (“ACA”). Implement steps to enforce ACA consumer protections.			
10. Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints	Coordinate with existing organizations in the State to ensure services are sufficient to determine eligibility, assistance with the filing of appeals and complaints, and provide information about consumer protections.			
11. Business Operations of the Exchange	<ul style="list-style-type: none"> ▪ Begin developing standards based on the identified planning activities that will be required for certification of a qualified health plan. ▪ Address the following minimum functions of an Exchange: <ul style="list-style-type: none"> • Call Center • Exchange Website and • Calculator 			

**STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT'S EXCHANGES
REPORTING TEMPLATES**

OMB #0938-1101

	<ul style="list-style-type: none"> • Quality Rating System • Navigator Program • Eligibility Determination • Enrollment Process • Applications and Notices • Individual Responsibility Determinations • Administration of Tax Credits and Cost-sharing Reductions • Mediation and Notification of Appeals • IRS Reporting • Outreach and Education • Choice Vouchers • Risk Adjustment • SHOP-Specific 			
--	---	--	--	--

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1101. The time required to complete this information collection is estimated to average (433 hours) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

ATTACHMENT B

Agendas for two Formal Exchange Planning Meetings

Mississippi Health Insurance Exchange Study Committee

November 18, 2010 at 2:00PM

AGENDA

- | | | |
|------|--|---|
| I. | Welcome | Senator Buck Clarke, Chair
MS Senate Insurance Committee |
| II. | Overview of Exchange Planning Grant | Mike Chaney, Commissioner
MS Department of Insurance |
| III. | Discussion of Insurance Exchange
Governance Structure | Commissioner Mike Chaney |
| IV. | Section 5 of MS Senate Bill 2554 | Candice Whitfield, Policy Advisor
Governor's Office |
| V. | Example of an Exchange Presentation | Chini Krishnam
Getinsured.com |
| VI. | Adjourn | |

STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT'S EXCHANGES
REPORTING TEMPLATES

OMB #0938-1101



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner

STATE OF MISSISSIPPI
Mississippi Insurance Department

1001 Woolfolk Building (39201)
Post Office Box 79
Jackson, Mississippi 39205-0079
(601) 359-3569
www.mid.state.ms.us

JOINT MEETING OF
THE MS EXCHANGE STUDY COMMITTEE AND EXCHANGE STAKEHOLDERS

December 14, 2010

AGENDA

Welcome	Buck Clark, Chairman Senate Insurance Committee
Opening Remarks	Mike Chaney Commissioner of Insurance
Meeting Overview and Introductions	Mark Haire Deputy Commissioner of Insurance
PPACA	Kathryn Gilchrist Adams & Reese LLP
Exchange Presentation	Aaron Sisk Mississippi Insurance Department
Sample Exchange Presentation	Joel Jasper Morgan White Group
Lunch Comments from Lieutenant Phil Bryant	Provided
MID Legislative Proposal	Aaron Sisk Mississippi Insurance Department
Closing Remarks	Mike Chaney Commissioner of Insurance