

Center for Consumer Information and Insurance Oversight

**State Planning and Establishment Grants for the
Affordable Care Act's Exchanges**

Reporting Requirement

Quarterly Project Reports

Date: April 15, 2011

State: Mississippi

Project Title: Mississippi Insurance Department Health Insurance Exchange
Planning Grant Report II

Project Quarter Reporting Period: Quarter II (01/01/2011-03/31/2011)

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Project Summary

This report is only for the activities conducted in the second quarter of the grant period. The quarterly report includes several lengthy reports and attachments, but, is not cumulative.

Mississippi reached several milestones during the second quarter associated with the planning for an exchange. The Mississippi Insurance Department ("MID") expanded stakeholder involvement, sought legislative action for the establishment of an exchange, initiated a health insurance market analysis, launched strategic planning for all components of an exchange and completed an Information Technology ("IT") gap analysis. Consultant services for the strategic planning project began with a signed contract on February 15, 2011. MID and its consultants conducted new activities in the following core areas in the second quarter:

Core Areas

• **Background Research**

Mississippi retained consultants to conduct a comprehensive analysis of the State's health insurance market during the second quarter.

1. Name of Milestone: Consultant Search and Background Research

Timing: Process started in Quarter II

Description:

Research on the data elements for various health related statistics for Mississippi is underway. This background research will provide a demographic analysis of the health insurance market in Mississippi. A thorough analysis and report should be provided in the next quarter showing the following:

- Projected Mississippi total population by county (2010-2020)
- Estimated Medicaid covered lives by county (2010-2020)
- Estimated uninsured lives by county (2010-2020)
- 10 year projected composition change for the uninsured and Medicaid
- 10 year public/private coverage composition projections (2010-2020)
- Uninsured and total population by industry
- Uninsured and total population by age
- Uninsured and total population by % of FPL
- Uninsured and total population by ethnicity
- Uninsured and total population by Medicaid eligibility
- Uninsured and total population by education
- Uninsured and total population by marital status
- Uninsured and total population by household work status
- Uninsured and total population by family income
- Uninsured and total population by household income by county
- Trended uninsured from 1987-2009
- Trended unemployment rate from 1976 to 2010
- Medical and Rx per capita costs
- Inpatient hospital statistics
- Outpatient hospital statistics
- Outpatient radiology statistics
- Outpatient laboratory statistics
- Emergency department statistics
- Rx statistics
- Chronic Conditions Profiled by allowed amount of medicine and Rx, patient episodes, episodes, admits episodes, allowed amount/episode, episodes/1000, and admits episodes/1000

• **Stakeholder Involvement**

MID continued stakeholder involvement activities during the second quarter building on the initial meetings held in the beginning of the grant period. Consultants convened focus groups and conducted individual sessions to ensure extensive participation in the planning process.

1. Name of Milestone: Legislative Meetings

Timing: Quarter II

Description:

MID continued to focus on informing stakeholders and key legislators about healthcare reform and exchanges. Legal consultants, in consultation with MID staff, met with multiple committees and individual members representing the Mississippi House of Representatives and the Mississippi Senate. Presentations were given and informative discussions were held regarding the Patient Protection and Affordable Care Act ("PPACA") and the proposed MID legislation to establish an exchange.

2. Name of Milestone: Small Group Stakeholder Meetings

Timing: Quarter II

Description:

MID consultants conducted four small stakeholder sessions in January 2011, over a two-day period to inform State leaders and other stakeholders as to current national issues concerning exchanges and to gain their input regarding their vision for an exchange for Mississippi. The goals of the meeting were to:

- Introduce the concept of a Mississippi Exchange to the stakeholder attendees
- Explain the role that MID's consultants would play regarding the planning and design of the Mississippi Exchange
- Collect feedback and suggestion from the attendees
- Address questions the stakeholders might have
- Develop next steps

The Grant Project Director gave an overview of the existing status of the efforts for an exchange in Mississippi. Each group was asked for its vision of an exchange followed with discussions. The feedback and suggestions are summarized in Attachment B, along with the meeting agenda. The stakeholders included:

- A. State Representatives
 - Members of the State Legislature
 - Governor's Staff
 - Medicaid Staff
 - MID Staff
 - MID Legal Consultants

- B. Providers
 - Mississippi Hospital Association
 - Mississippi Nurses Association

- C. Business Groups
 - Mississippi Economic Council
 - Greater Jackson Chamber Partnership
 - National Federation of Independent Business

- D. Health Insurance Carriers and Producers
 - Blue Cross Blue Shield of Mississippi
 - United Healthcare
 - Magnolia Health Plan/Centene Corp.
 - Independent Insurance Agents and Brokers of Mississippi
 - Mississippi Primary Health Care Association
 - Mississippi Association of Health Underwriters

- E. Consumer Advocacy Groups
 - Mississippi Health Advocacy Program
 - Center for Mississippi Health Policy
 - American Cancer Society

In late March, additional stakeholders were convened in small groups to obtain their views for a health benefit exchange in Mississippi. Over sixty (60) people participated in a survey in focus groups, individual sessions, and conference calls. The results of the survey are included in the summary report as Appendix D. MID is planning follow-up sessions with more interviews around the State in the next quarter.

3. Name of Milestone: Exchange Public Awareness

Timing: Quarter II

Description:

Several articles were published in local and national papers regarding Mississippi's efforts to plan for a state-based health insurance exchange. Copies of newspaper articles are included in supporting documents as Attachment G.

Two supporters who are members of the Mississippi Health Insurance Exchange Study Committee were interviewed on a local radio broadcast in January. They provided information on the pending legislation in the Mississippi House of Representatives and the Mississippi Senate.

4. Name of Milestone: Exchange Public Awareness/Travel to Meetings

Timing: Quarter II

Description:

The Grant Project Director along with the Commissioner of Insurance and Deputy Commissioner of Insurance recently traveled to the National Association of Insurance Commissioners ("NAIC") spring meeting in Austin, Texas. Information was provided on exchanges and PPACA related issues and updates.

The Grant Project Director served on a panel discussing the future of healthcare reform and exchanges at the Mississippi State University *Insurance Day* in Starkville, Mississippi.

The agenda for the two-day meeting is included in the supporting documents as Attachment G.

• **Program Integration**

1. **Name of Milestone:** **Qualitative Research and In-Depth Interviews**

Timing: **End of Quarter II**

Description:

Consultants conducted a study to determine how the exchange can be successful and work with existing State and Federal programs. They initially conducted detailed research including policy commentaries, academic and scholarly analysis, news articles, and other secondary sources that discuss exchanges. The thorough review of current and past exchanges identified the issues that need to be resolved to ensure success. These issues include:

- Adverse selection
- Broker participation
- Controllable costs
- Education committees
- Enrollment simplicity
- High participation rates
- Ongoing quality assurance
- Quantity of health plans
- Third party leveraging

The research indicated that 18% of Mississippi's three million population is uninsured and 49% of the uninsured have a household income below 133% of Federal poverty level. The number of Medicaid-eligible Mississippians is projected to grow 50% by 2015. The literature review summary and recommendations for a successful exchange in Mississippi are included as Attachment C. MID will use the research on current and past exchanges and the consultant's recommendations as it moves forward in the planning and establishment of an exchange.

Consultants also conducted in-depth interviews in March 2011. They met with over sixty (60) stakeholders in focus groups, individual sessions and conference calls to gain insight on the needs of Mississippians for an exchange. The results of the interviews and the list of participants are included in the report as Appendix D.

2. **Name of Milestone:** **Governor's Staff Meetings**

Timing: **Quarter II**

Description:

MID met several times during the quarter with the Governor's health policy advisory staff for input on and planning of the Exchange. Communication is on-going to keep the Governor's staff informed of MID's grant activities and plans on moving forward with planning and implementation of an exchange.

- 3. Name of Milestone: Medicaid Staff Meetings**
Timing: Three meetings during Quarter II

Description:

MID staff conducted several meetings with the Mississippi Division of Medicaid staff to discuss the planning activities for an exchange and the need for program integration. Medicaid staff participated in a consultant webinar to provide input on the current Medicaid technology platform and the future needs for program integration with the exchange. The slides for the webinar are included in Attachment F. The webinar was the first step to gain information for the IT gap analysis.

• **Resources & Capabilities**

- 1. Name of Milestone: Assessment of Resources and Capabilities**

Timing: Quarter II

Description:

MID began addressing this area with a strategic planning project begun in February 2011. The consultants are assisting with the assessment of Mississippi's resources and identifying key planning steps to:

1. Define all exchange components while adhering to legislation and addressing the population needs.
2. Assess current staff levels and capabilities to determine the additional resources needed for exchange implementation.
3. Identify the gaps between Mississippi's resources and ideal exchange implementation needs and provide recommendations for filling the gaps.

• **Governance**

MID worked with key legislators to draft legislation for the establishment of an exchange. Two primary bills were introduced in the 2011 Mississippi Legislative session. The final bill went to joint conference committee, but members were unable to reach an agreement. No final action was taken and the bill died due to a deadline. MID continues to seek support for the Exchange and will consider other options for its establishment.

- 1. Name of Milestone: Legislation**

Timing: Quarter II

Description:

MID staff worked continuously with key legislators in the second quarter on proposed legislation for the creation of an exchange. Key exchange supporters authored two bills in the Mississippi Legislative session that began January 2011. The legislation included language addressing the Exchange governance structure and identified an operational governing body as a sixteen (16) member Board of Directors. Ultimately, a consensus could not be reached regarding the governance structure and the bill was killed in conference. MID will pursue other options for the establishment of an exchange.

2. Name of Milestone: Legal Consultants

Timing: Quarter II

Description:

Legal Consultants played a key role in meeting with legislators multiple times in the second quarter to answer questions regarding PPACA and exchanges. They will continue to provide advice to MID regarding legal implications with PPACA and related regulations when promulgated.

• **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. More information will be available next quarter when additional options for creating an exchange are pursued.

• **Technical Infrastructure**

MID staff and its consultants initiated and completed an in-depth information technology gap analysis to review the State's existing systems and identify the technological needs for Mississippi's target system.

1. Name of Milestone: IT Gap Analysis

Timing: Quarter II

Description:

Division of Medicaid IT staff participated in a webinar with MID staff and its consultants on March 9, 2011, to gain insight on the State's existing technology infrastructure. Medicaid staff provided information on their existing IT software and hardware and gave valuable input for the IT Gap Analysis. They participated in follow-up calls and reviews of the draft paper. The IT Gap Analysis is included as Attachment E and the webinar presentation is included in Attachment F.

• **Business Operations**

1. Name of Milestone: Strategic Planning for Business Operations

Timing: Quarter II

Description:

MID will continue to address the Business Operations for the development and implementation of an exchange, as this area will be more defined as the strategic planning moves forward.

• **Regulatory or Policy Actions**

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

Timing: Quarter II

Description:

MID retained legal consultants to work with staff in identifying additional regulatory actions that may be required as well as providing assistance with informing State Legislators on exchange implementation issues.

Barriers, Lessons Learned, and Recommendations to the Program

I. Barriers:

The major barriers associated with the implementation of this project during the second reporting period included Mississippi's political process, ideological differences and time constraints. MID moved forward with planning an exchange and worked with the members of the legislature to draft legislation for the 2011 legislative session. The Senate and House of Representatives had similar views on the governance and operation of the exchange but differed on its structure and whether it should be a new State agency as opposed to a not-for-profit entity. Other non-related political issues surfaced and created the impasse.

II. Lessons Learned:

MID continued to participate in weekly conference calls to stay informed of national developments and other states' activities regarding exchange issues. The information gained from other states and the NAIC continues to help with ongoing issues that continue to arise on a daily basis.

Technical Assistance

MID does not require any technical assistance at this time.

Draft Exchange Budget

Due to lack of action from the legislature, MID is not able to address an exchange implementation budget at this time. The draft budget will be addressed as MID moves forward with planning for the establishment of an exchange.

Work Plan

MID continues to build on its exchange planning grant work plan. The updated work plan reflects the accomplished milestones to date in Attachment A. The actual implementation

activities and work plan will be defined as MID prepares an application for the recent HHS exchange implementation funding opportunity to states.

Collaborations/Partnerships

MID continues to develop partnerships outside the department and continues to collaborate with various groups and interested parties to work together for exchange planning. MID is working with the following groups:

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

Organizational Type of Partner:

- o State agency

Role of Partner in Establishing Insurance Exchange:

The staff provides information on the Governor's views and input regarding an exchange. The Governor has been a strong supporter for implementing a State-based health exchange for the last three years.

Accomplishments of Partnership:

MID has a very good relationship with this partner, which has helped move the grant activities forward.

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:

- o State Legislature

Role of Partner in Establishing Insurance Exchange:

MID has a strong relationship with the Chairman and members of the Mississippi Senate Insurance Committee who assisted with the proposed legislation.

Accomplishments of Partnership:

The Committee Chair was the principal author of the 2011 Senate Bill creating the "Mississippi Health Benefit Exchange Act". Although this bill did not progress through the legislative process, the Senate Committee continued to provide support and promote the establishment of the Exchange.

Barriers/Challenges of Partnership:

Multiple bills were introduced in the 2011 Legislative session and politics emerged as a strong barrier to passage of the legislation. No action was taken which now causes a challenge for exchange establishment.

3. Name of Partner: Division of Medicaid Executive Director and Staff

Organizational Type of Partner:

- o 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 enrollment with other state programs in the exchange.

Accomplishments of Partnership:

MID continues to meet with the Medicaid staff to ensure collaboration and participation in the planning process for state health program integration in the Exchange. The Medicaid IT staff participated in the IT Gap Analysis conducted for this project.

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 health plans sold in Mississippi.

Role of Partner in Establishing Insurance Exchange:

The Association is a strong advocate in 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.

Accomplishments of Partnership:

MID continues to utilize this group as key stakeholders.

Barriers/Challenges of Partnership:

None at this time.

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 administrator for the State of Mississippi State and School Employees' Health Insurance Plan.

Accomplishments of Partnership:

The company has extensive expertise in all aspects of health program management along with a positive working relationship with MID.

Barriers/Challenges of Partnership:

None at this time.

6. Name of Partner: Mississippi Comprehensive Health Insurance Risk Pool Association

Organizational Type of Partner:

- Nonprofit entity

Role of Partner in Establishing Insurance Exchange:

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 to 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
 WORK PLAN**

CORE AREA	QUARTER II 2011	QUARTER III – IV 2011	2012	2013
1. Background Research	Research and data analysis of insurance market conducted in the second quarter.	Analysis and summary completed. Recommendations from consultants provided to plan for the structure and design of an exchange.		
2. Stakeholder Consultation	<ul style="list-style-type: none"> ▪ Continued stakeholder involvement and meetings, expanding participation from groups from all regions of the State. ▪ In-depth interviews were conducted with over 60 stakeholders to ensure successful program integration. ▪ Plans are underway to identify a process for consultation with and input from the federally recognized Indian Tribal Government in Mississippi on the establishment and operation of the Exchange. 	Additional interviews with stakeholders in various regions of the State.		
3. Legislative/Regulatory Action	<ul style="list-style-type: none"> ▪ Legislative action for the establishment of an exchange was attempted in the second quarter. 	<ul style="list-style-type: none"> ▪ Pursue alternatives for legal establishment of an exchange. ▪ Determine any additional legislation required for compliance with Federal requirements. 		
4. Governance	Basic Governance for the Exchange has not been determined.	<ul style="list-style-type: none"> ▪ Establish governance. ▪ Determine any additional requirements to ensure: 		

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<p>5. Program Integration</p>	<ul style="list-style-type: none"> ▪ In-depth research on current and past Exchanges conducted to provide recommendations for a successful Mississippi Exchange. ▪ Focus groups, individual sessions and conference calls were conducted to ensure program integration is expanded. Over 60 stakeholders participated in the March 2011 in-depth interviews. 	<ul style="list-style-type: none"> ▪ Public accountability ▪ Transparency ▪ 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. ▪ Devise a strategy for limiting adverse selection between the Exchange and the outside market, possibly including legislative changes if required. 	
<p>6. Exchange IT Systems</p>	<p>IT Gap Analysis was completed in the second quarter.</p>	<ul style="list-style-type: none"> ▪ Continue to review the gap analysis of existing systems and the anticipated systems for development by 2014. ▪ 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 the Exchange IT Systems. 	
<p>7. Financial Management</p>	<p>This area will be more defined as the strategic planning moves forward.</p>	<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 	

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		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	This area will be more defined as the strategic planning moves forward.	Continue 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	This area will be more defined as the strategic planning moves forward.	Plan and implement steps for insurance market reforms under Subtitles A and C of the PPACA. Implement steps to enforce PPACA consumer protections.	
10. Provide Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints	This area will be more defined as the strategic planning moves forward.	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	This area will be more defined as the strategic planning moves forward.	<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 • Quality Rating System • Navigator Program 	

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		<ul style="list-style-type: none"> • 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 	
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PRA Disclosure Statement

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ATTACHMENT B

Agendas for Stakeholder Meetings

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MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner

STATE OF MISSISSIPPI
Mississippi Insurance Department

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**BACKGROUND RESEARCH STAKEHOLDER
AGENDA**

WEDNESDAY, January 26
Room

10th Floor Woolfolk Building, South Conference

9:00 am – 12:00 pm

Interagency Meeting w/ Consultant

- MID Staff
- Governor's Office Staff: Candice Whitfield
- Medicaid Staff: Betty Williams
- Adams & Reese: Katie Gilchrist

12:00 pm – 1:30 pm

Lunch Break

1:30 pm – 3:00 pm

BLOCK 1:

- MSMA
- MHA: Shannon Coker
- MNA: Betty Dickson

3:00 pm – 4:30 pm

BLOCK 2:

- NFIB: Ron Aldridge
- Miss. Economic Council: Scott Waller
- Greater Jackson Chamber Partnership: Lindsay Buford

THURSDAY, January 27

1st Floor Woolfolk Building, Conference Room 117

9:00 am – 10:30 am

BLOCK 3:

- Miss. Primary Healthcare Association: Robert Pugh
- Amer. Cancer Society: Kimberly Hughes, Beth Dickson
- Center for Miss. Health Policy: Therese Hanna, Wesley Prater

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- Miss. Health Advocacy Program: Roy Mitchell, Jacquelyn Agho

10:30 am – 12:30 pm

BLOCK 4:

- BCBS: Charles Pace, John Proctor, Bryan Lagg
- United Healthcare
- Magnolia Health Plan/Centene: Chip Berkovsky, Lee Ann Mayo
- MAHU: Joel Jasper
- MAHU: Pam Gregory
- Independent Insurance Agents: Dudley Wooley

12:30 pm – 2:00 pm

Lunch Break

2:00 pm – 3:00 pm

BLOCK 5: Legislators

3:00 pm – 4:00 pm

Concluding Discussions w/ MID

Mississippi Insurance Department Meeting Summary

Meeting with Mississippi Stakeholders January 26, 2011

The goals of this meeting were:

- To introduce the concept of a Mississippi Exchange to the stakeholder attendees
- Explain the role MID's Consultants would play regarding the planning and design of the Mississippi Exchange
- Collect feedback and suggestion from the attendees
- Address any questions the stakeholders might have
- Develop next steps

Overview from Aaron Sisk

- The Senate seems to be onboard with an independent entity.
- BCBS has about 60% to 70% of the market. UHC has about 10%
- Expectations of the Consultants regarding exchange planning and design
- Competing bills in the House and the Senate will most likely go to conference.

Vision of an Exchange

- **Governor's Office**
 - Market based
 - The FEHBP model with the large selection of choices
 - Pre-tax, Plan portability
 - Small business aspect. 134,000 work for small biz (1-50) that are uninsured.
 - Utah model as a foundation for the Mississippi Exchange.
 - Run the AHBE and SHOP separately
 - Not a Mass connector model
 - Wants an inexpensive, cost efficient model.
 - Creates an environment that promotes creativity among the carriers in the Exchange
 - Defined contribution is something they are interested in and considering
- **Medicaid**
 - Pre PPACA don't see any eligibility or verification in the early phases of the Exchange.
 - See the Exchange as an informational portal only. Post PPACA the Exchange will have to facilitate Medicaid enrollment. How does that happen?
 - How will enrollment and eligibility take place in an exchange environment?
 - The MS comprehensive high risk pool is a great model. There is language in the bill to allow the MS CHRP to operate the Exchange. The CHRP has a knowledgeable staff
- **MID**
 - Wants to work with all stakeholders to develop the vision of the Mississippi Exchange

- An independent non-profit board would be the governing body. The board needs to hire an executive director of the Exchange.
- The commissioner has been very supportive of brokers in the Exchange and wants brokers to be involved in the process.
- Navigator would provide the consumer with foundational information about the Exchange and then direct the consumer to a broker to facilitate the purchase of a health plan.

- **Hospital and Medical Association**
 - Hospital association is supportive of an exchange
 - Wants to make sure there is preventative care offered in the Exchange
 - Define the role of a Navigator vs. Broker
 - Who will provide the communication, education and outreach for the Exchange? Navigators? Brokers? Other entity.
 - No added cost to providers
 - The Hospital and Medical Association indicated they want a voice on the Exchange board
 - How do we provide universal state-wide access to the Exchange?

- **Business Community / MEC**
 - 1200 members
 - 8000 employees
 - 35% of their members are small business (1 -50)
 - Wants to make sure the Exchange offers employee at least the same benefit level they are currently being offered outside the Exchange.
 - Make sure the local brokers are involved in the process. Employers don't have time to deal with learning about the Exchange or assisting their employees with plan selection.

- **BCBS, UHC, Magnolia, MS Underwriters, Independent Insurance Agents**
 - Preserve the broker relationship.
 - How will the Navigator work and what is the funding mechanism? Would like to see the Navigators licensed
 - Maintaining separate individual and small group markets
 - Minimal duplication of regulations
 - Wants electronic standards
 - Employer choice in the SHOP Exchange, will it be preserved?
 - Preserve innovation around plan design and not be to prescriptive
 - Concept of open enrollment periods and how would that work in the Exchange?
 - Could the local and national associations set up a non-profit to provide the functions of a navigator?

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STAKEHOLDER INTERVIEWS
March 28-31, 2011

NAME	BUSINESS	INTERVIEW TIME
Dudley Wooley	Independent Insurance Agents of MS	3/30/11 at 12:00
CJ Edens	Association of Builders & Contractors, Miss. Chapter	3/29/11 at 3:00pm
Lanny Craft	MCHIRPA	3/29/11 at 11:00am
Betty Williams	Division of Medicaid	3/30/11 at 1:00pm
Joel Jasper	Morgan-White	3/31/11 at 2:00pm
Charles Pace	BCBS of Miss.	3/28/11 at 10:00am
John Proctor	BCBS of Miss.	3/29/11 at 9:00am
Lindsay Buford	Healthcare Initiatives	3/28/11 at 1:30pm
Clinton Graham	Independent Ins. Agents of Miss.	3/31/11 at 2:00pm
Ricki Garrett	Miss. Nurses Association	3/31/11 at 9:00am
Chip Berkovsky	Centene/Magnolia Health Plan	Interview Completed on 3/18/11
Roy Mitchell	Miss. Health Advocacy Program	3/28/11 at 11:00am
Charmain Kanosky	Miss. State Medical Association	3/28/11 at 2:00pm
Rims Barber	Miss. Human Services Coalition	3/29/11 at 9:00am
Mike Cashion	Miss. Hospitality & Restaurant Association	3/30/11 at 11:00am
Robert Pugh	Miss. Primary Health Care Assoc.	3/30/11 at 9:00am
Ricki Garrett	Miss. Nurses Association	3/31/11 at 9:00am
Chad Newell	Area Development Partnership	Forwarded us to a new contact
Gray Swoope	Miss. Development Authority	Pending
Pam Gregory	Bottrell Ins. Agency; Miss. Association of Health Underwriters	Pending
Ron Aldridge	Nat'l Federation for Independent Business	3/30/11

ATTACHMENT C

Health Benefit Exchange – Literature Review

Intent of this Literature Review: Public health exchanges have only been in existence for a few years, yet their successes and failures are being studied and well documented. This review consolidates and simplifies thousands of pages of policy commentaries, academic and scholarly analysis, news articles, and other secondary sources that discuss exchanges. This review also surfaces the primary themes found throughout the research. The goal of this review is to provide insights that will assist in designing an exchange tailored to the needs of the State of Mississippi.

Literature Review Executive Summary

- A health insurance exchange is an organized marketplace for the purchase of health insurance.
- Many small businesses do not offer health insurance because it is too costly, administratively burdensome, and relatively complex to enroll employees. As a result, public exchanges in Utah and Massachusetts have promoted participation through defined contribution plans (making costs more predictable), tax credits, reduced administrative burdens, and user simplicity.
- Notable exchange failures occurred in California, Colorado, Florida, and North Carolina. Failures occurred primarily because of adverse selection, inadequate broker participation, high costs, lack of public outreach, enrollment complexity, poor participation rates, lack of quality assurance, limited health plans, and exchange administration challenges.
- Eighteen percent of Mississippi's population is uninsured. Forty-nine percent of the uninsured have a household income below 133 percent Federal poverty level. The uninsured are over-represented in Mississippi's entertainment, construction, and retail industries.
- As a result of the Patient Protection Affordable Care Act (PPACA), the number of Medicaid-eligible Mississippi residents is projected to grow 50 percent from approximately 25 percent to 34-38 percent of Mississippians by 2015.
- Mississippi will need to address the failures of past exchanges while meeting the needs of the State's rural population. Secondary research encourages implementation of a defined contribution plan, significant exchange and insurance education outreach, heavy reliance on brokers, and aggregation of part-time employee benefits from multiple employers.

Conclusion & Summary of Recommendations

Mississippi's health Exchange can significantly decrease the proportion of uninsured individuals in the State. To be successful, Mississippi must quickly attain large participation rates. The following recommendations will help the Mississippi achieve strong participations rates, notably from small business owners:

Education and Simplicity: Mississippi must focus on exchange and insurance education and simplicity due to a large proportion of Mississippi's population is located in rural areas. The difficulty of understanding the Exchange and insurance combined with the challenges of reaching rural Mississippians necessitates an effective education outreach combined with an extremely simple and usable exchange.

Defined Contribution Plan: Based on secondary research, a defined contribution plan can help employers achieve predictable health insurance costs. The defined contribution plan will allow employees to contribute to his or her premium, tax free.

Broker Participation: Mississippi must leverage brokers in order to significantly expand exchange participation.

Premium Aggregation Benefits: The Mississippi Exchange should focus its efforts toward small business recruitment as well as recruiting in the individual market.

ATTACHMENT D

Stakeholder Interviews Summary Report

Research Objectives

In accordance with the Mississippi Insurance Department's goal of designing an effective Exchange for Mississippians, the State has embarked on answering the following research objectives: :

- What are the factors driving success and failure of other public exchanges throughout the country?
- Why do some small businesses offer health insurance while others fail to offer health insurance?
- Why do employees who have access to health insurance neglect to enroll?
- From where are Mississippi's uninsured individuals originating?
- What types of experience and services can an exchange provide that will maximize participation on the Exchange by small businesses and its employees?
- What will be the most effective strategy to market and implement the Exchange once it is built?

Research Methodology

There are general principles that apply to the success of any health exchange. However, political, psychographic, and demographic differences throughout the State necessitate a customized design of the Mississippi Exchange. It is imperative that the Mississippi Exchange meets the needs of Mississippians and that the Exchange be executed with high efficiency in order to maximize impact while preserving taxpayer dollars. Therefore, a multi-phased research approach was designed to solicit the insights of as many people as possible. This process includes:

Phase I:

- Secondary Research
 - Obtain and evaluate research surrounding public exchanges
 - Amalgamate the research and summarize
- In-Depth Interviews
 - Develop discussion guides, set appointments, and provide honorariums for participation
 - Conduct interviews with individuals who have helped implement health exchanges, including those in Massachusetts and Utah
 - Conduct initial interviews with key stakeholders in Mississippi with the following objectives:
 - Introduce the Insurance Department's focus on hearing from as many stakeholders in order to build the optimal exchange
 - Determine who all the stakeholders are in Mississippi and how to reach out to them
 - Develop initial hypotheses surrounding what components will most ensure the success of the exchange
 - Determine on which items there is greatest consensus among the disparate stakeholders

Phase II and III

- Based on Phase I, determine which individuals to interview in the subsequent phases. While the strategy will be flexible, it likely includes:
 - Town-hall/cottage meetings with small business owners and employees. These

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presentations and discussions will occur throughout the State and will include a presentation and illustration of the “skeleton” concept and then will seek the input of all participants. These presentations will be coordinated through:

- Local Chambers of Commerce and Economic Development Agencies
- Local public associations and organizations (such as Rotary, Elks, and Kiwanis)
- Local churches, city councils, schools and elected officials
- The town-hall/cottage meetings will occur throughout the State in as many cities as possible (approximately 15) and will strive to represent the diversity of the State. As many business owners and stakeholders as possible will be invited to participate.
- Survey of small business owners surrounding their primary needs with health insurance, the number of different plans that should be available through the exchange and how the exchange can best resolve their health insurance needs
- A survey of small business owners and individuals surrounding the ideal online experience as well as the appropriate messaging and implementation strategy

During the month of March, 2011 Phase I was conducted. After conducting a thorough literature review, the Mississippi Insurance Department and its Consultants relied on qualitative research, including in-depth interviews and focus groups, to provide a valid foundation for future research. Over 60 interviews were conducted, most of which lasted approximately 60 minutes in length. Some of the interviews were conducted in small focus group settings.

In-Depth Interview Participants

Name	Role	Organization
Chip Berkovsky	Director of Corporate Development	Centene / Magnolia Health Plan
Robert Pugh	Executive Director	Mississippi Primary Health Care Association
Betty Williams	Deputy Director	Mississippi Division of Medicaid
Rita Rutland	Chief Information Officer	Mississippi Division of Medicaid
Pam Simpson	Eligibility	Mississippi Division of Medicaid
Janice Bond	Policy for Families & Children	Mississippi Division of Medicaid
Joel Jasper	Agency Manager / Legislative Chair	MorganWhiteGroup / Mississippi Association of Health Underwriters
Clinton Graham	President	Independent Insurance Agents of Mississippi
Jeff Drozda		United HealthCare
Paul Stordahl	Vice President, Actuarial Services	United HealthCare
Pam Gregory	Vice President	Bottrell Insurance Agency Mississippi Association of

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		Health Underwriters
Lindsay Buford	Vice President Healthcare Initiatives	Greater Jackson Chamber Partnership
Duane O'Neill	Chief Executive Officer	Greater Jackson Chamber Partnership
Charles Pace	Government Affairs and Compliance	BlueCross BlueShield of Mississippi
Bryan Lagg	Marketing Coordinator	BlueCross BlueShield of Mississippi
John Proctor	Director, Corporate Audit	BlueCross BlueShield of Mississippi
Roy Mitchell	Director	Mississippi Health Advocacy Program
Jacquelyn Agho	Program Manager	Mississippi Health Advocacy Program
Rims Barber	Director	Mississippi Human Service Coalition
Randy Kelly	Chief Executive Officer	Three Rivers Planning and Development District
Tracey Matthews	Director of Fiscal Management	Three Rivers Planning and Development District
Tonya Shirley	Payroll Manager and Fringe Benefit Coordinator	Three Rivers Planning and Development District
Clarke Holmes	Chief Executive Officer	Central Mississippi Planning and Development District
Lanny Craft	Executive Director	Mississippi Comprehensive Health Insurance Risk Pool Association
Representative Dirk Dedeaux	House Medicaid Committee, Chair	Mississippi State House of Representatives
Representative Walter Robison	House Insurance Committee, Chair	Mississippi House of Representatives
Senator Doug Davis	Senate Appropriations Committee	Mississippi State Senate
Representative John Hines	House Insurance Committee	Mississippi State House of Representatives
C.J. Edens	President	Association of Builders and Contractors, Mississippi Chapter
Dr. Karen Fox	President and CEO	Delta Health Alliance
Therese Hanna	Executive Director	Center for Mississippi Health Policy
Mike Cashion	Executive Director	Mississippi Hospitality and Restaurant Association
Dudley Wooley	President and COO	Ross & Yerger
Scott Bingham	Employee Benefits Division	Ross & Yerger
Wade Jones	President and Director	East Mississippi Business Development Corporation
Christi Kilroy	Executive Director	Vicksburg-Warren County

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		Chamber of Commerce
Larry Azuse	Vice President, Compensation and Benefits	Ameristar Casinos
Ron Aldridge	State Director	National Federation of Independent Businesses
Ricki Garrett	Executive Director	Mississippi Nurses Association
Frank Micciche	Senior Advisor	McKenna, Long, & Aldridge LLP
Amy Lischko	Assistant Professor, Public Health and Family Medicine	Tufts University School of Medicine
Lane Beattie	Chief Executive Officer	Salt Lake Chamber of Commerce

Small Group Discussion Participants: Small Business Owners		
Name	Organization	Offers Health Benefits
Angie Jones	Child and Parent Center, Inc.	Yes
Janice Virden	Woodland Hills Dollhouse	No
John Albriton III	Albritons Jewelers	Yes
Kay Lee	Vicksburg Family Development	Yes
Lance Sullivan	Buck Sullivan Inc	Yes
Mike Smith	Staffing Solutions, Ltd	Yes
Mimi Jeffers	Small business operations	Yes
David Mitchell	Realtor, renter, small business owner	Yes
Theresa King	Bethlehem Center	No

Small Group Discussion Participants: Insurance Agents/Brokers	
Name	Organization
Clarence Palmer	Neighborhood Insurance
Curt Ulmer	AXA Advisors

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Don Williams	Insurance Options	
Gail Porter	Porters Insurance	
Madelyn Matijevich	Lincoln Financial Advisors	
Nita Miller	Fox Everett	
Robert Fortson	Fortson Group Insurance	
Stephan Cozart	Cozart Agency	
Susan Harrison	William Morris Agency	

ATTACHMENT E

State of Mississippi Exchange IT Gap Analysis

The following sections describe Mississippi's readiness on critical elements as requested in Appendix C of the grant:

Technical Architecture, Applicable Standards, HIPAA, Accessibility, Security, Federal Information Processing Standards

Technical Architecture

The technical architecture is critical to supporting the necessary business functions and features of the health insurance exchange. Mississippi understands that the technical architecture must be:

- Flexible and utilize a services-based design capable of extending front-end services to stakeholders and back-end services to systems
- Based in open standards such as National Information Exchange Model (NIEM) and WSI, to improve system interoperability and reduce maintenance
- Based on industry best practice design, facilitating the transfer of conceptual design and business rules thereby accelerating adoption by other states
- Secure and adhere to HIPAA guidelines in order to provide a safe, reliable, and private exchange of information

Current Technical Architecture

This section provides a brief overview of the Mississippi Division of Medicaid ("DOM") *Envision* system architecture. *Envision* utilizes a three-tier application deployment architecture. See Figure 1. Starting on the left, the three tiers represented in the diagram are:

- Client work stations
- Sybase Enterprise Application Server middle tier
- Mainframe back end

Mississippi Envision Online Production Environment

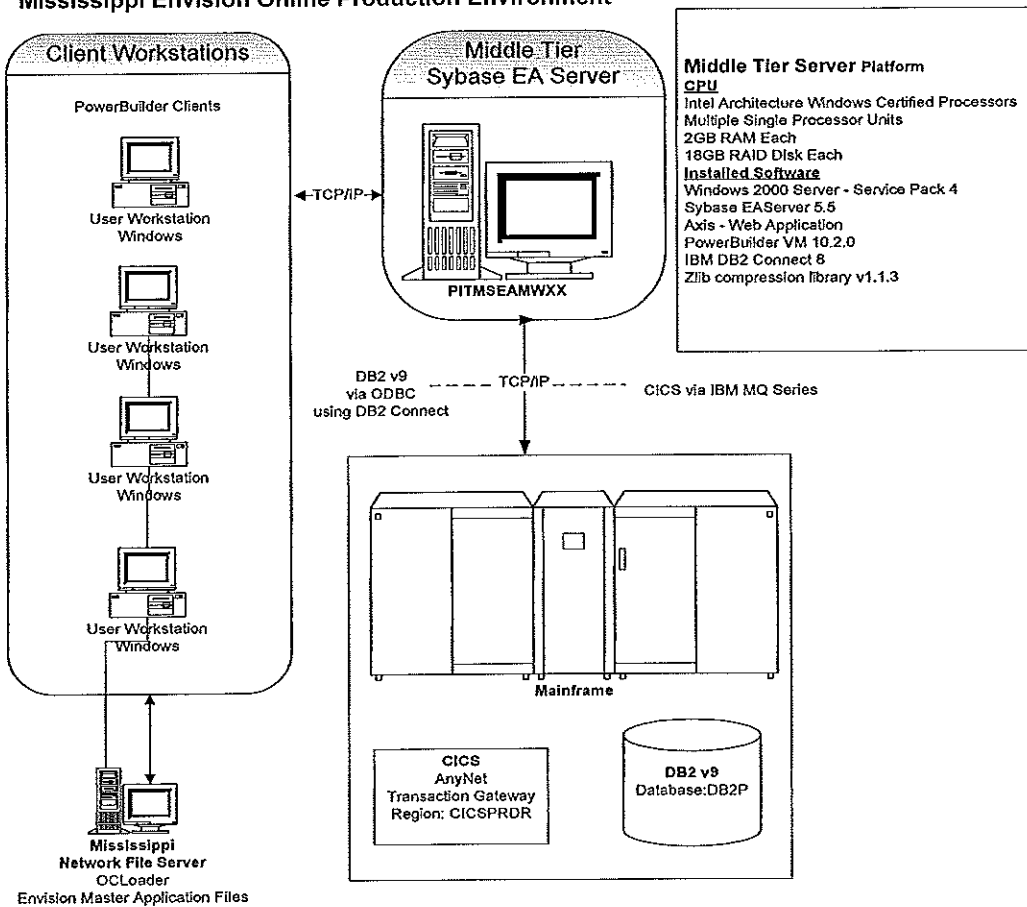


Figure 1

The hardware comprising the *Envision* system middle tier and back end is located in a secure Affiliated Computer Services, Inc ("ACS") data center located in Pittsburgh, PA. This data center is connected to the ACS Mississippi FAS offices and to the DOM network by an ACS internal wide area network (WAN) comprised of leased frame relay lines.

The Client work stations run Windows with PowerBuilder run-time and the client presentation layer of the *Envision* application. The presentation layer contains front-end edit logic. The client windows presentation layer is built using ACS-developed class libraries that provide a consistent user-interface and navigation. The presentation layer includes windows for all MMIS data entry, maintenance and inquiry functions. Each individual subsystem uses the common class libraries to construct all of the necessary inquiry, maintenance and update business functions for operation of the MMIS. Each individual subsystem which presents an online client

interface specifies in its chapter details of the windows provided within that subsystem for access to specific business functions.

The middle tier provides middleware connectivity to the database back-end and to eight CICS transactions which implement database intensive business logic and security control using Sybase Enterprise Application Server as a middleware application engine. This middleware layer provides access to CICS applications and DB2 on the back-end. It also provides clustering, load balancing, two-phase commit and fail over capability. The middle tier provides on-line business logic through the use of PowerBuilder non-visual objects built on the Enterprise Application Framework from Synergy Systems, and through Java components.

The middle tier is accessed by the online client screens for access to the MMIS back end data store and CICS transactions. The middle tier also provides access facilities used by additional client interfaces from MEDS, MEDSX, PDCS and EDI subsystems to enhance the functions provided by the online client interfaces. As in the case of the online client each individual subsystem which presents an additional client interface specifies in its chapter details of the windows or other client facilities provided within that subsystem for access to specific business functions.

The middle tier provides a unified, stable and well defined interface to system functions suitable for future development. By providing standard remote procedure call methods (SOAP, CORBA, IIOP) the *Envision* system will allow controlled access to system functions from other state systems. EA Server provides robust cluster management functions to ensure load sharing and transaction priority management, and future scalability to accommodate expanding user requirements.

The mainframe back-end runs IBM CICS and IBM DB2 relational database management system. The middle tier invokes eight CICS transactions. The CICS transactions support Claims Inquiry Search, Claim Correction, Member Lock-in, Category of Eligibility Update, Member Merge and Prior Authorization Maintenance, User Login and User Password Change functions. CICS connectivity is provided via IBM MQ Series. Connectivity to DB2 is provided to the middle tier through IBM DB2 Connect. In addition to supporting middle tier and workstation transaction and data requests, the back-end is used to run all batch processes and reports as well as the claims engine.

IBM CICS and DB2 provide services to manage transaction dispatching priority and resource sharing. Since all transaction requests are connected to DB2 and CICS through the uniform middleware interface the system is protected from rouge transactions which might disrupt the balance of system processing.

The middleware and mainframe servers are collocated at the ACS Data Center in Pittsburgh, PA to maximize throughput for data intensive operations. Collocation provides the maximum network throughput for traffic between the middleware servers and the mainframe, over which the largest result sets will be exchanged. When consistent with business logic needs, the middleware functions are designed to perform data reduction to minimize the amount of traffic over slower WAN communications lines.

The *Envision* MMIS system utilizes the ACS State Healthcare EDI Clearinghouse to provide HIPAA compliant transaction handling. Each MMIS core subsystem receives processes and returns those HIPAA mandated attributes which are utilized in the MMIS implementation of the DOM policy and edits. The EDI Clearinghouse maintains a complete record of all HIPAA transaction attributes received along with necessary identifiers to correctly associate incoming transaction attributes to MMIS generated transactions to construct outgoing transactions ("Retain and Attach").

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Current/Legacy Software

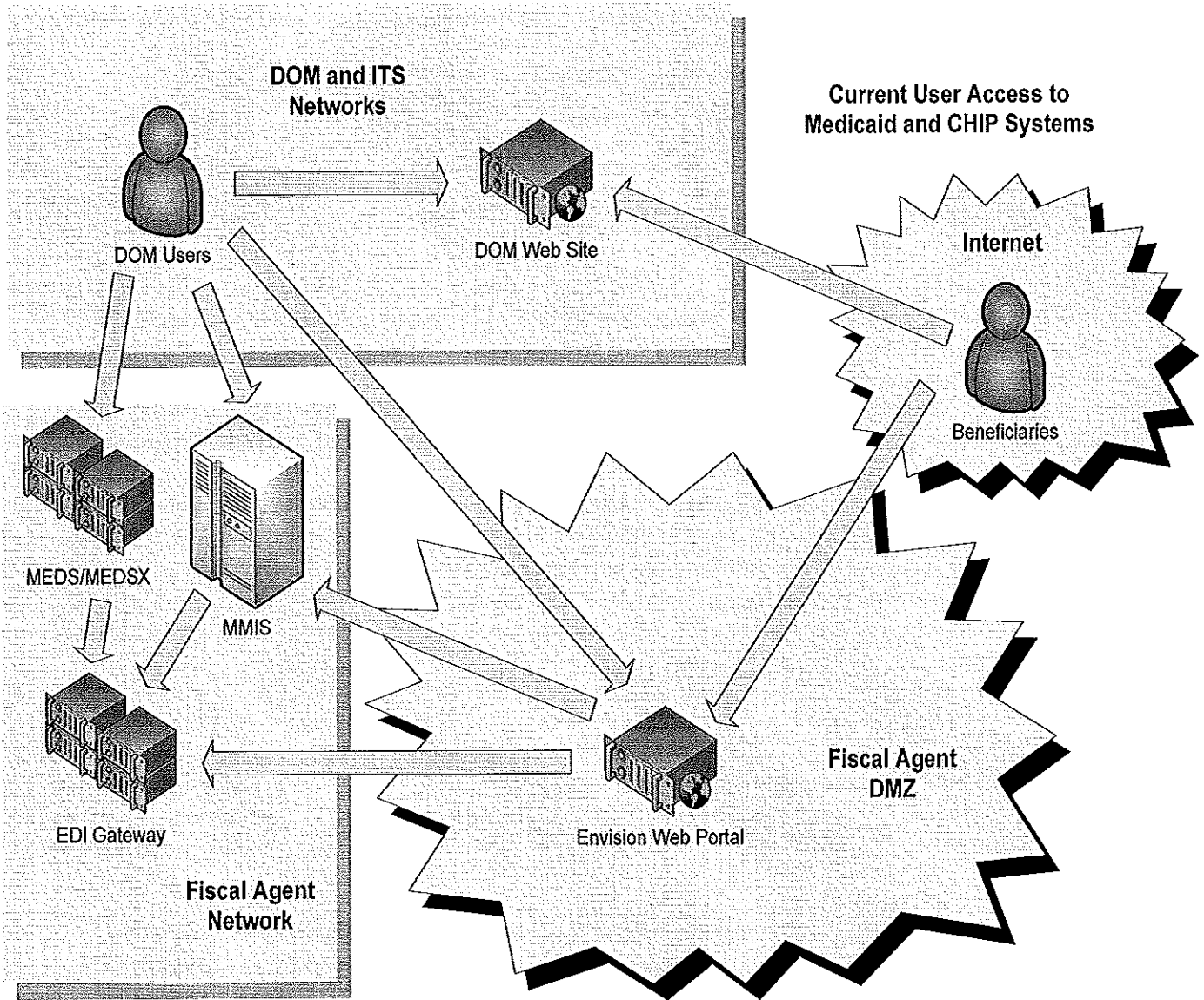
The table below describes Mississippi's current/legacy software.

Component	Description
Envision MMIS	Mississippi's HIPAA compliant and CMS certified Medicaid Management Information System.
Medicaid Web Site	Includes forms and instructions for obtaining Medicaid and CHIP eligibility.
Envision Web Portal	Web site that allows beneficiaries to review their claims, check their eligibility, and locate providers.
EDI Gateway	Processes HIPAA transactions (i.e. 837, 834, 835, 270/271, etc) either incoming or outgoing for providers or other payers.
MEDS/MEDSX	Determines eligibility for Medicaid and CHIP.

Current / Legacy hardware

The table below describes Mississippi's current/legacy hardware.

Component	Description
Envision MMIS	IBM Mainframe with z/OS – PowerBuilder, DB2, and COBOL
Medicaid Web Site	IIS with ASP
Envision Web Portal	Sun Solaris Sparc Servers with WebSphere, IBM HTTP Server, and Oracle
EDI Gateway	IBM AIX Wintel Servers with Mercator
MEDS/MEDSX	Sun Solaris Sparc Servers with WebSphere, Oracle, LDAP, Actuate, and Tivoli



Target System Software

The table below describes Mississippi’s target software for the health insurance exchange

Component	Description
Envision MMIS	IBM Mainframe with z/OS – PowerBuilder, DB2, and COBOL
Medicaid Web Site	IIS with ASP
Envision Web	Sun Solaris Sparc Servers with WebSphere, IBM HTTP Server, and

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Portal	Oracle
EDI Gateway	IBM AIX Wintel Servers with Mercator
MEDS/MEDSX	Sun Solaris Sparc Servers with WebSphere, Oracle, LDAP, Actuate, and Tivoli
<ul style="list-style-type: none"> • Plan Comparison • Health plan and consumer administration 	Mississippi will utilize existing industry leading vendors to customize their COTS products or SAAS products to facilitate the plan comparison and consumer administration functionality.
Health Plan Ranking	Mississippi will utilize existing industry leading vendors to customize their COTS products or SAAS products to facilitate the health plan ranking functionality to meet the needs of the State's exchange.
Online Calculator	Mississippi will utilize existing industry leading vendors to customize their COTS products or SAAS products to facilitate the online calculator functionality to meet the needs of the State's exchange.
Financial Transactions	Mississippi will utilize existing industry leading vendors to customize their COTS products or SAAS products to facilitate the financial transactions to meet the needs of the State's exchange.
Risk Adjustment	Mississippi will utilize existing industry leading vendors to customize their COTS products or SAAS products to facilitate the risk adjustment functionality to meet the needs of the Exchange.
Mobile Access	Mississippi will utilize existing mobile application developers to build and customize software to facilitate mobile access to the exchange.

Target System Hardware

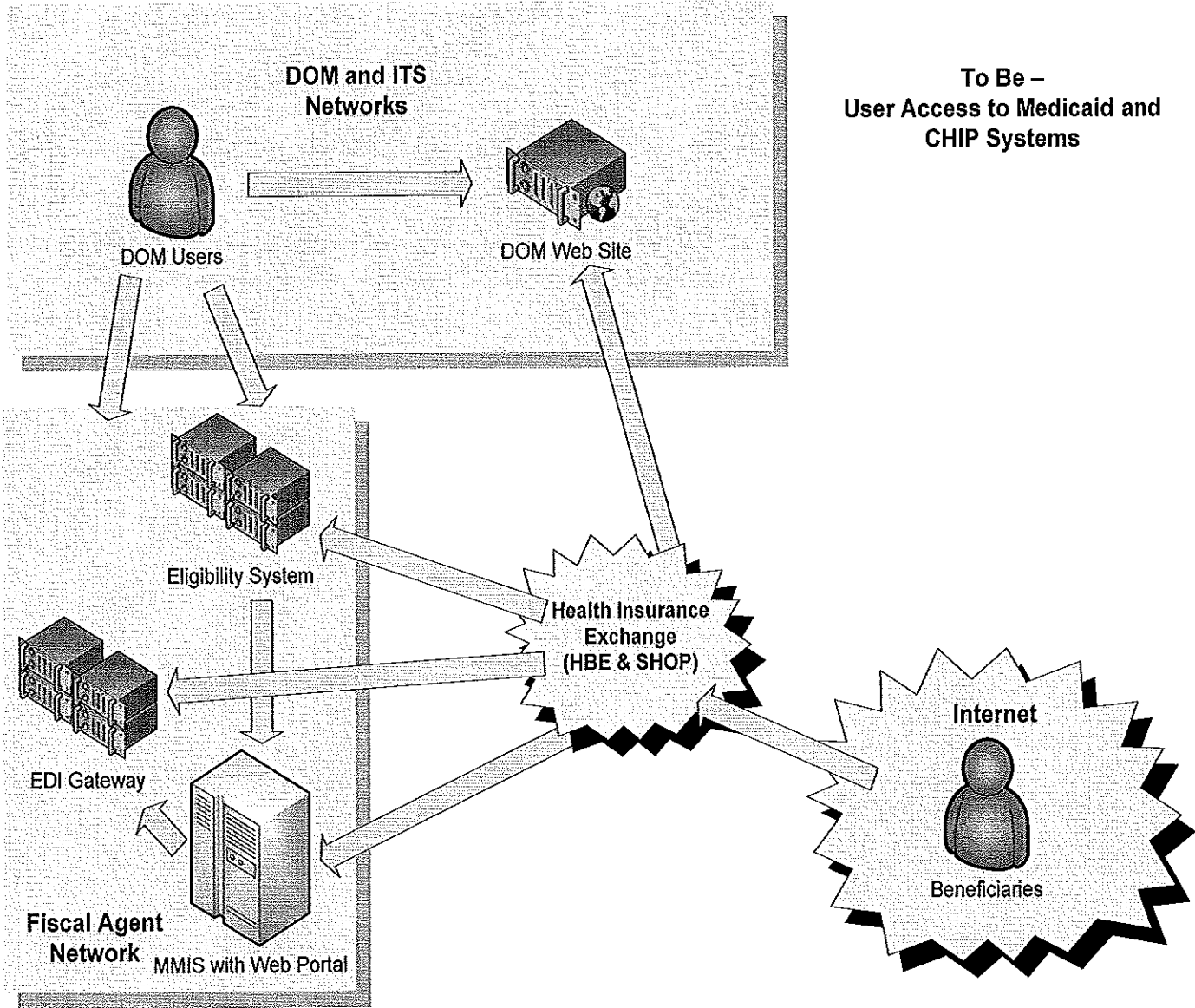
The table below describes Mississippi's target hardware for the health insurance exchange

Component	Description
MMIS	An Open Systems platform written in a modern programming language.

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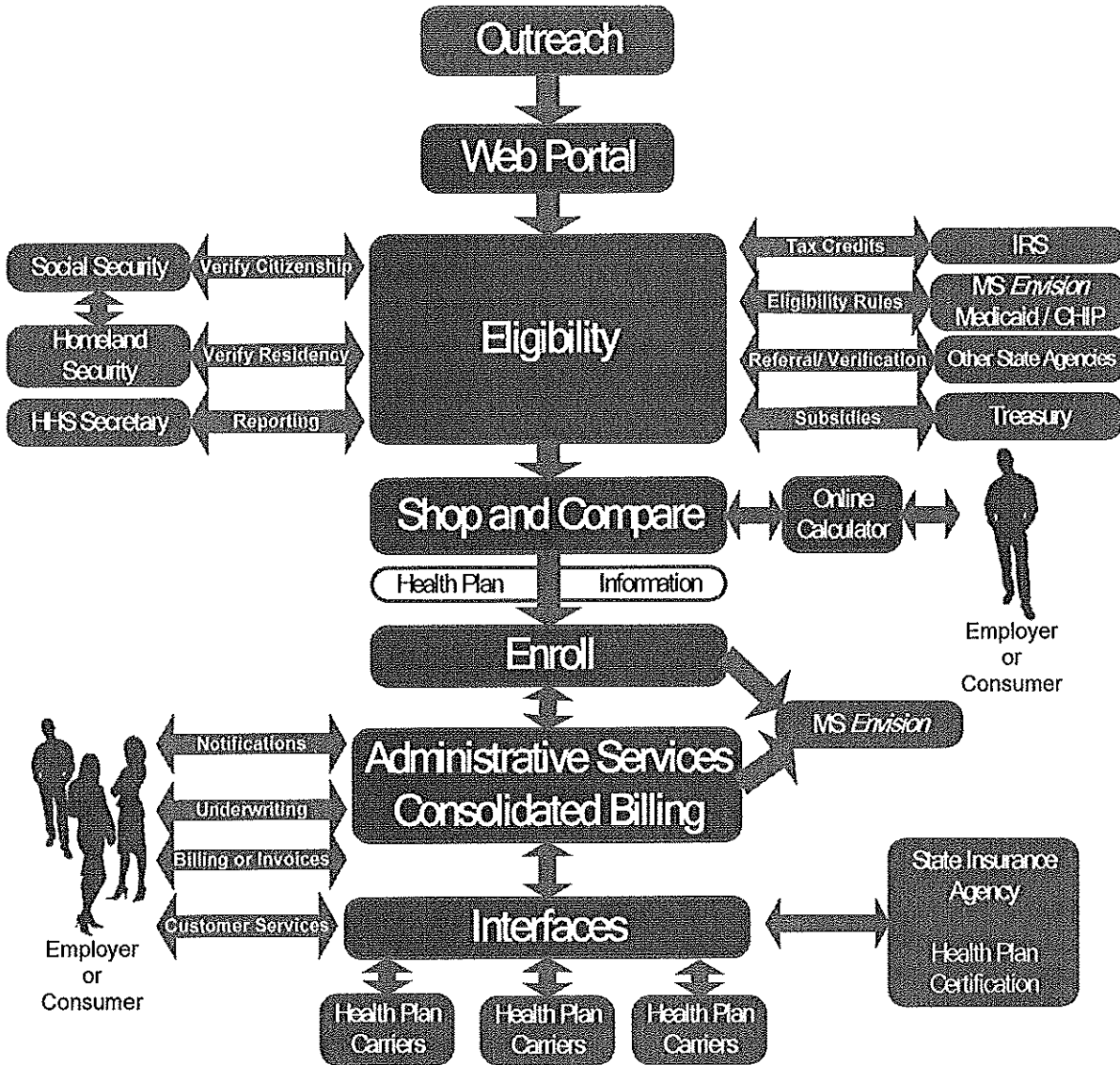
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Medicaid Web Site	A Wintel platform.
EDI Gateway	An Open Systems platform with a translator.
Eligibility System	An Open Systems platform written in a modern programming language.
<ul style="list-style-type: none"> • Plan Comparison • Health plan and consumer administration • Health Plan Ranking • Online Calculator • Financial Transactions • Risk Adjustment 	Mississippi will utilize existing vendor technologies and hardware platforms that comply with the State's minimum requirements and standards.



Exchange IT mapping

Mississippi recognizes that getting from our current “as is” IT environment to our proposed “to be” Exchange environment will be a comprehensive process. Mississippi has mapped out the foundation “to be” environment below.



Technical Architecture Gap Summary

Mississippi will resolve the gaps in the current architecture through the acquisition of existing technologies and products and will continue to enhance its existing technologies and services.

These gaps can be organized and listed as follows:

Gap	Description
Consumer Web Portal	The face of the Mississippi exchange (web portal) will need to be developed to provide consumers with an entry / starting point that is intuitive easy to navigate.
Integration of Individual Eligibility Determination	Mississippi will rely on its current MMIS systems to facilitate individual Medicaid eligibility determination. However, Mississippi will need to develop the technology to facilitate the integration between the exchange and the current MMIS systems

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	and include CHIP and employer eligibility factors into the Exchange as well.
Health Plan Comparison	Health plan comparison based on consumer selected preferences is a new process that will need to be built into the Mississippi exchange. Health plan comparison should allow the consumer to “model” different health plan coverage and costs based on their medical reality (average office visits, type of medication, chronic conditions, etc.) Mississippi plans to incorporate intuitive consumer assistance tools and technologies in the exchange.
Health Plan Ranking	Health plan ranking based on plan benefit design is a new process that will need to be developed into the Mississippi exchange. Additionally, based on yet to be determined HHS standards, quality rankings for each health plan will need to be tracked by the Mississippi Exchange.
Health Plan administration	Carriers currently submit health plans to the Mississippi department of insurance using the System for Electronic Rates and Form Filing (SERFF). Mississippi will need to develop the necessary interface to upload “qualified” and approved health plans to the exchange.
Customer information administration	Mississippi will need to develop the necessary technology and interface to allow consumers to administer and perform updates (life events, contact info, etc.). This includes employer/employee administration tools which facilitate accurate consolidated billing through the Exchange
Communication and Customer Support	Mississippi currently provides traditional methods of communication and customer support (phone, mail, fax, email). These systems and operational processes will need to be expanded to deliver modern methods of service and communication (Live chat support, messages, text, call me, and other channels). These communication channels may also include educational material through the Exchange web portal itself. Mississippi will implement a new customer service model that supports all users (i.e. employees, employers, brokers, community partners, health plans, etc.) Along with the new customer service model, Mississippi will need to establish an outreach infrastructure that encourages the uninsured, broker, navigator, and the small employer communities to use the Exchange to access health care coverage.
Cost Reduction Determination	Cost reduction determination is a new process and will require the development of technologies and processes that enable the Mississippi Exchange to determine the cost reduction amounts and communicate that information to the Treasury and other Federal and

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	State agencies.
Citizenship and Residency Verification	Currently Mississippi uses SDX to verify citizenship and will continue to do so within the Exchange. Residency verification is a new process and that technology will need to be built into the Mississippi Exchange. There are new Federal verification interfaces which Mississippi will need to account for in the Exchange design (IRS, Homeland Security, etc.).
HHS Reporting	Mississippi will need to develop the necessary technology to facilitate the new federal, state, public, operational, and analytical reporting functions and requirements of the exchange.
Financial Transactions	The technology to facilitate the payment of premiums and disbursement of subsidies and credits within the Mississippi exchange will need to be developed. Additionally, the aggregation of payments from multiple sources, consolidated billing for employers for multiple employees, and the procedures and processes for payment remediation (late payment, adjusted payments, collections) must be developed.
Mobile Access	Mobile access to the Mississippi exchange will be facilitated by developing mobile applications that are compatible with the most popular mobile devices. This may include Exchange participant alerts, bill notification and bill payment through the mobile device. As with paper-based communications, HIPAA requirements must be considered when setting up these applications.
Online Calculator	Mississippi will have to develop the technologies necessary to facilitate an online calculator that presents actual costs to the consumer in a clear and intuitive format.
Risk Adjustment	Risk adjustment is a new process and Mississippi will need to integrate existing risk adjustment technologies and processes into the exchange. This includes the administrative support for the commercial underwriting processes needed with small employer groups.

Application Standards

1561 Recommendations – The 1561 recommendations and NIEM standards are new to Mississippi. However, Mississippi is committed to implementing the 1561 recommendations for human services eligibility and enrollment processes to:

- Create a transparent, understandable and user-friendly online process that enables consumers to make informed decisions about applying for and managing benefits
- Provide a range of user capabilities, languages and access considerations
- Offer seamless integration between private and public insurance options

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- Enable a consistent and transparent exchange of data elements between multiple data users (e.g. NIEM standards)
- Maintain strong privacy and security protections

Mississippi will incorporate the entire core Section 1561 recommendations.

In addition, Mississippi will work to incorporate NIEM standards as the State develops the business processes and scope of works for the exchange.

HIPAA - Maintaining application security is important to protect the sensitive information that is collected, processed, and stored in the health insurance exchange. The Mississippi Exchange will comply with all Federal standards of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

DOM and its Fiscal Agent are required to comply and address all aspects of the HIPAA Regulation. DOM requires all of its partners to sign a Business Associate Agreement (BAA) that directly interface with the MMIS system. DOM is building this BAA into all of its contracts to all vendors regardless of their function within our agency.

The exchange will create a clear, easy-to-understand privacy notice as part of both the paper application and electronic process that consumers using the exchange will need to acknowledge and sign off on.

While new systems are developed and existing systems are enhanced, Mississippi will continue to work to ensure that its systems are HIPAA compliant.

Accessibility

It is a Federal mandate that public-facing web sites must minimize technical and usability barriers for individuals with disabilities. Mississippi plans to ensure the exchange complies with all Federal and State accessibility regulations and will test the exchange to ensure the highest level of accessibility.

The Exchange will also be in compliance with Title II of the Americans with Disabilities Act. The Exchange will adhere to all standards for waiving unnecessary eligibility standards for individuals and will modify policies and procedures on an as-needed basis to ensure access to programs. In administering benefit services to students, the Exchange will comply with section 504 of the Rehabilitation Act, developed by the Office of Civil Rights and the U.S. Department of Education, which allows all students to participate in any program receiving Federal financial assistance, regardless of disability.

Security

Mississippi understands that security is extremely important when dealing with confidential information related to health care programs. The State employs multiple layers of security in its systems for maintaining compliance and protecting data like personal health information (PHI) and personal identifying information (PII). Mississippi understands the Federal Fair Information Practices (FIP) guidelines for collecting data, maintaining data integrity and quality, and providing transparency regarding data access and use.

DOM has reviewed the FIP guidelines and believes the standards are in direct relation to HIPAA compliance. DOM already issues notices to all beneficiaries regarding our Privacy Practices which address Notice/Awareness, Choice/Consent, Access/Participation, Integrity/Security,

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Enforcement/Redress, and Dependent Children which all are identified in the FTC Fair Information Practice documentation.

Mississippi will ensure that security measures in place will comply with all Federal standards. During the development of the Exchange, security protocols will be implemented and extensively tested at each phase.

Federal Information Processing Standards (FIPS)

Mississippi Department of Human Services is complying with the Federal Information Processing Standards. Mississippi will thoroughly evaluate the FIPS standards as it applies to the State's exchange and make a decision as to how the exchange may comply with these standards. Mississippi will provide HHS with a formal response and decision regarding the FIPS evaluation.

ATTACHMENT F

WEBINAR

Mississippi Exchange IT Gap Analysis Agenda

March 9, 2011 Agenda Item	Time
LP and MID staff introductions	9:00 – 9:15
Review Gap Analysis Grant Guidance	9:15 – 9:45
Discuss Response Objectives	9:45 – 10:15
Review and discussion of Exchange Components <ul style="list-style-type: none">• Core• PPACA Mandated• Ancillary	10:15 – 11:15
Discussion of “as is” environment with proposed “to be” solution options	11:15 – 12:15
Lunch	12:15 – 1:15
Review Draft Gap Analysis Response Outline	1:15 – 1:30
Questions, Discussion and next steps	1:30 – 2:00

ATTACHMENT F

WEBINAR

**Mississippi Exchange IT Gap Analysis
Agenda**

March 9, 2011 Agenda Item	Time
LP and MID staff introductions	9:00 – 9:15
Review Gap Analysis Grant Guidance	9:15 – 9:45
Discuss Response Objectives	9:45 – 10:15
Review and discussion of Exchange Components <ul style="list-style-type: none">• Core• PPACA Mandated• Ancillary	10:15 – 11:15
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Mississippi Exchange Gap Analysis Webinar

March 9, 2011

LEAVITT
PARTNERS

AGENDA

- Introductions
- Review Gap Analysis Grant Guidance
- Discuss Response Objectives
- Review and discussion of Exchange Components
- Discussion of “as is” environment with proposed “to be” solution options
- Lunch
- Review Draft Gap Analysis Response Outline
- Questions, Discussion and next steps

AGENDA GOAL

- An understanding of Gap Analysis Requirements
- An understanding of Exchange components and functions
- Understanding Next Steps
- Set times lines for deliverables

Gap Analysis Grant Guidance

- **Technical Architecture**
 - Current/Legacy Software
 - Current / Legacy hardware
 - Target System Software
 - Target System Hardware
- **Exchange IT mapping**
- **Applicable Standards**
 - 1561 and NIEM
 - HIPAA
 - Accessibility
 - Security
 - FIPS

Response Objective

To provide HHS with a general overview of Mississippi's current "as is" environment with the proposed "to be" solution that demonstrates proposed solution(s) that meets the Exchange IT requirements.

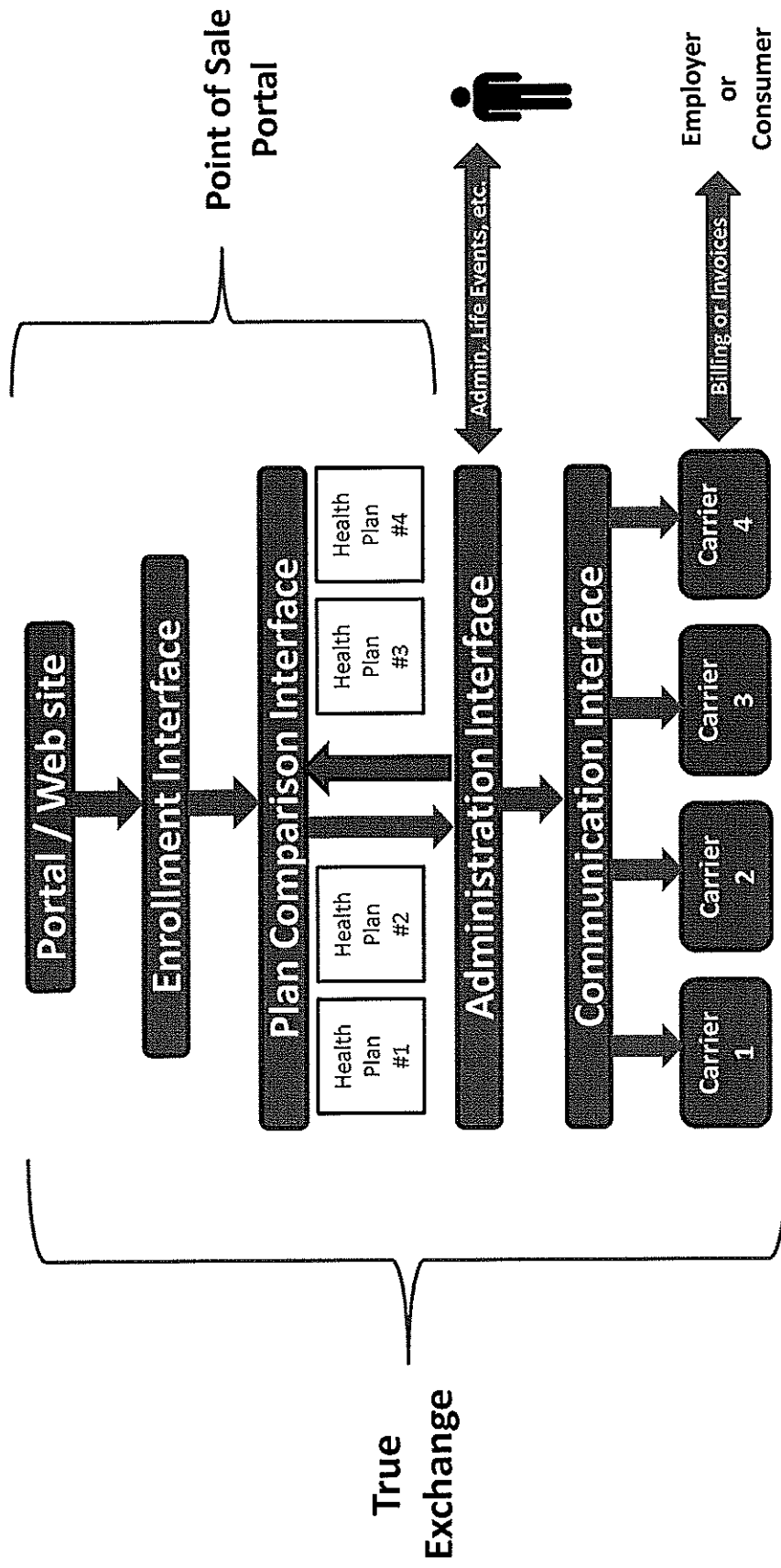
Exchange Capabilities and Services Fall Into Three Categories

- **Core Functions—essential to select and enroll in a plan**
- **Mandated Functions—required to satisfy PPACA**
- **Ancillary Functions—non-core capabilities**

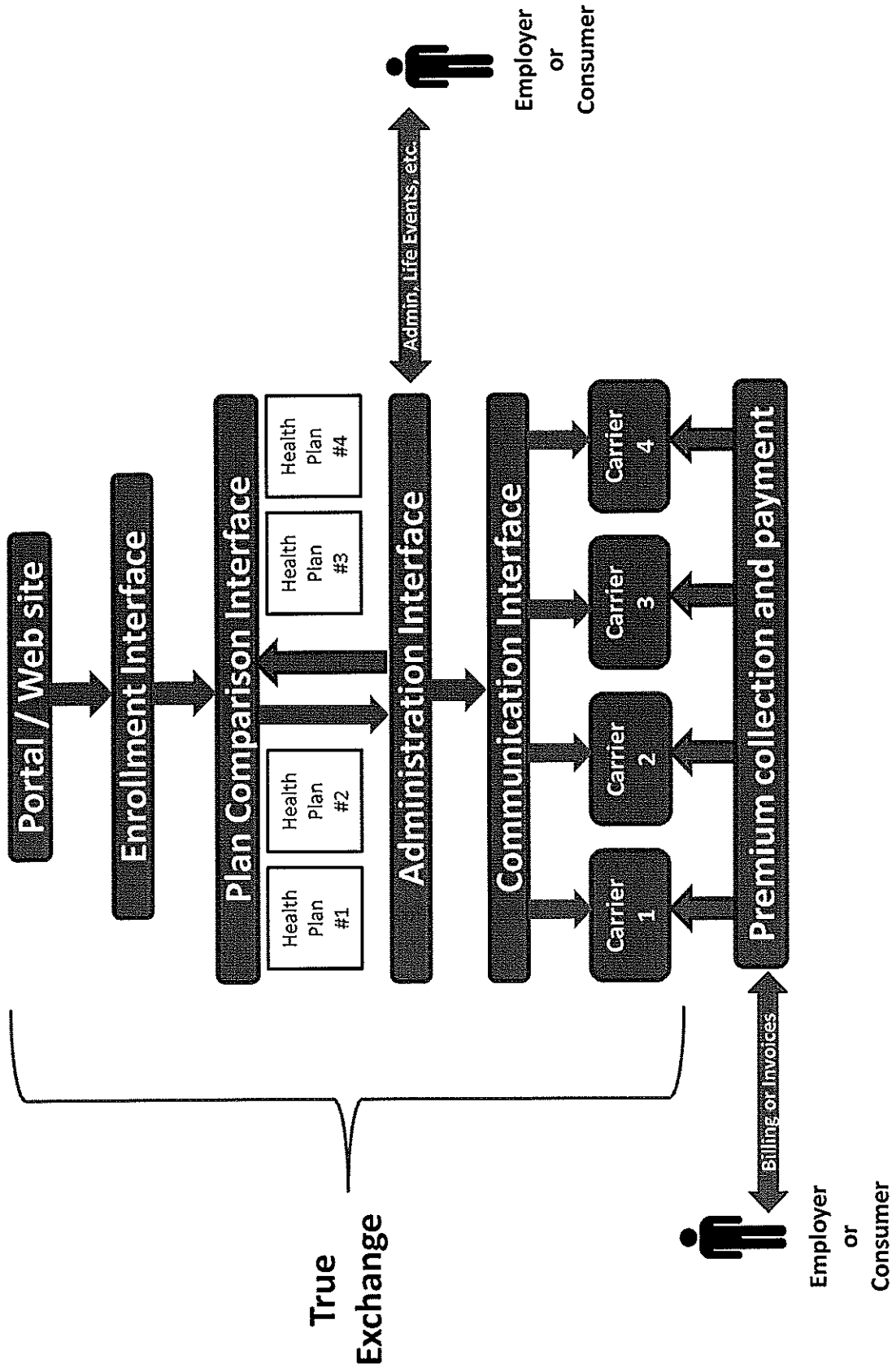
Core Functions

- Exchange website—provides plan information to current and prospective enrollees comparison
- Plan comparison
 - Standardized format—benefit options presented in a common way
 - Comparison—tool enables plan evaluations by price, benefit, etc.

Core Exchange Functions



The Utah Model



Mandated Exchange Functions

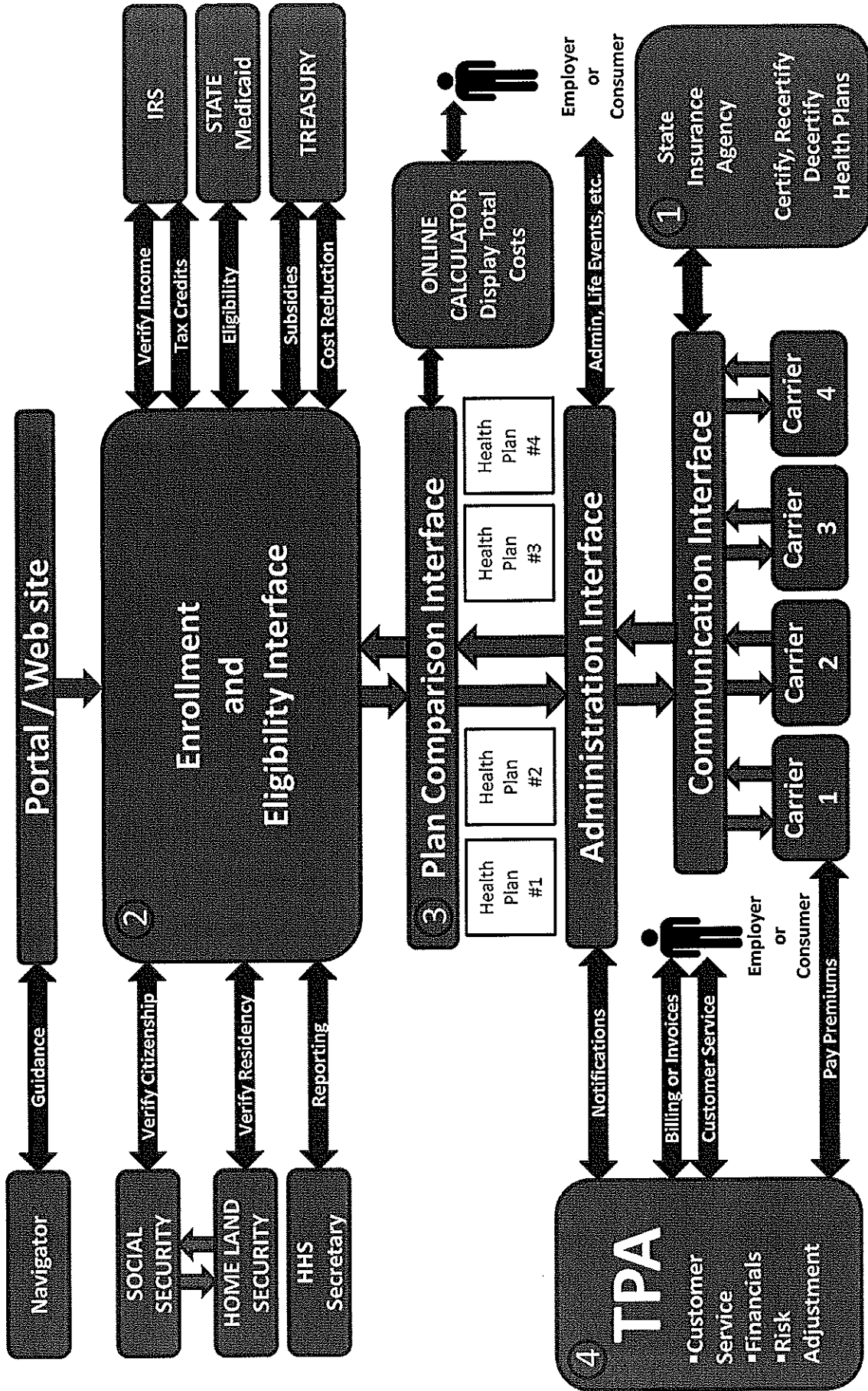
Front End Functions

- **Website** for commercial health plan enrollment and Medicaid and CHIP enrollment
- Information on **Medicaid and CHIP eligibility**
- Health plan comparison in a standardized and uniform format
- **Calculator** to determine actual cost of coverage after application of tax credits and cost sharing
- Enrollee **satisfaction survey results**
- Provide a **toll-free hotline**

Back End Functions

- **Certification, Recertification and Decertification** of Health Plans
- **Assign a rating** to each qualified health plan
- **Medicaid and CHIP** eligibility
- **Certification of individuals** exempt from the individual responsibility requirement
- **Tax Credit Eligibility**
- **Premium Assistance Eligibility**
- **Navigator** program that provides grants to entities assisting consumers
- **Risk Adjustment**
- Consultation with stakeholders, including tribes, and Publication of data on the exchange's administrative costs

Mandated Exchange Functions



Mandated Functions

HHS has not released regulations and standards in the following areas:

- HHS Reporting Requirements
- Income Verification and Reporting Requirements
- Tax Credit and Premium Assistance Credit payment methods
- Tax Credit and Premium Assistance Credit reporting methods
- Risk Adjustment
- State authority / flexibility for eligibility determination for:
 - Tax Credits
 - Premium Assistance Credits
 - Risk Adjustment

The Exchange could utilize existing state technologies and resources to save time and money to facilitate the above required functions.

Ancillary Functions

- Defined contribution
- Premium collection and payment
- Premium aggregation from multiple sources
- Health and wellness assessments and programs
- PBM

“as is” vs. “to be”

Discussion of “as is”
environment with proposed
“to be” solution options

Review Draft Gap Analysis Response Outline



Questions & Answers



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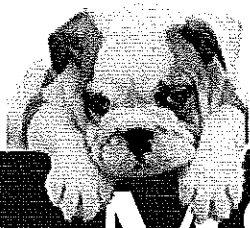
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ATTACHMENT G

Supporting Documents



March 29-30, 2011



MSU Insurance Day

Tuesday, March 29

7:30 Registration begins

8:15 Welcome and Announcements

8:30 Morning Session 3 Hours Ethics

Ethics in Financial Services

Chas Emerson & Jerry Corless,
Independent Planning Group

No Good Day Starts with a Call from the FBI

Charley Rafferty, Grantham Poole

Crime Pays When Ethics Fail

Chris Giovino, Dempsey Partners

Lunch served

12:00 Golf Tournament at Old Waverly

1:20 Afternoon Session 3 Hours CE

Challenges Associated with Flood Remapping

Dale Conrad, Harleysville Flood

Accent on Agents: Tips for the Marketplace

Angelyn Treutel, Treutel Insurance Agency

Fraud and Legal Issues in Insurance

Terry Levy & Mitchell Driskell,
Daniel, Coker, Horton & Bell

5:30 BBQ at the Baseball Game

MSU plays Alabama A&M

7:30 Reception - I-Dawg Tailgate

Hunter Henry Alumni Building on Campus

Wednesday, March 30

7:30 Registration begins

8:00 Welcome and Hall of Fame Inductions

Mississippi State University President Mark Keenum

8:45 Morning Session

3 Hours CE

Commissioners Panel

Mike Chaney, Mississippi
Jim Donelon, Louisiana
Julie McPeak, Tennessee
George Dale, Mississippi (Former)

Students: Choosing a Career

Randy Doss, CRC Insurance
Michael Joachim, Travelers
Bill Coffin, National Underwriter L&H
Kelly Atwood, MSU Career Center

10:00 Student Career Fair in McCool Atrium

Breakout Sessions:

Executive Updates

Matthew Scott, Penn America
Lisa Stewart, State Farm
Mike Plavnicky, Montgomery Insurance

Inflation: Impact on Insurance

Companies and Products
Lus Brown, Southern Farm Bureau Life

Under Pressure

Michael Joachim, Travelers

The Role of Worksite Wellness in Health Plans

Bryan Lagg, BlueCross BlueShield

Lunch served, Speaker: Head Football Coach Dan Mullen

12:50 Afternoon Session

3 Hours CE

Green Initiatives

Greg Serio, Park Strategies;
Bill Coffin, National Underwriter Life & Health

The Federal Government's Role in Insurance and What the Future Holds

Moderator: Lee Harrell, Baker Donelson, Bearman, Caldwell & Berkowitz
Aaron Sisk, Mississippi Insurance Department
Sheila Burke, Baker, Donelson, Bearman, Caldwell & Berkowitz
Chris Boone, BancorpSouth Insurance Services

Healthcare Reform: Transformation of an Industry

Michael O. Leavitt, Former Secretary of Health and Human Services
Former 3 term Governor of Utah; Founder and Chairman of Leavitt Partners

For more information, visit www.regonline.com/iday2011 or call 662-325-0357.

We offer up to 12 hours of CE hours in Property/Casualty, Life/Health, Claims, and Legal, including 3 hours in Ethics.

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State health exchange to reach 500K

Molly Parker • mparker2@jackson.gannett.com • January 26, 2011

About 500,000 Mississippians without health insurance soon could access a Web portal to shop for insurance and determine whether they are eligible for Medicaid under the new federal health care law.

But first, lawmakers must reach an accord on how it will work and who will run the health insurance exchange that all states must have operational by Jan. 1, 2014. That is the same year the law requires most people to have health insurance or face penalties.

"This is the most important piece of health care legislation this state has seen since 1965," said House Medicaid Committee Chairman Dirk Dedeaux, D-Perkinston, whose committee held a hearing on it Tuesday at the Capitol.

In 1965, the federal government established Medicare, mostly for the elderly, and Medicaid, mostly for the poor and disabled. Dedeaux called the new federal health care law and its attached state requirements the "largest expansion of health care in my lifetime."

Mississippi Insurance Department senior attorney Aaron Sisk said that if the Legislature does not pass a bill this session enabling at least a bare-bones exchange, the federal government may step in to operate it.

At least three pending bills would do that, but many questions remain.

Sisk said the Insurance Department would prefer a nonprofit board operate the exchange made up of 16 members, 11 of whom would have voting rights. The voting members would include insurance companies, a consumer advocate, insurance agents, small-business owners, a health care provider, a hospital representative, and an actuary, Sisk said.

Sisk said the Insurance Department does not have the personnel to operate the exchange and it would be a conflict because the department regulates the insurers.

The exchange idea has been likened to Expedia, where individuals and small businesses could compare insurance rates and benefits side by side. The exchange also would determine eligibility for subsidies available under the law.

Individuals whose household makes less than 400 percent of the federal poverty level, or \$88,000, will qualify for a subsidy beginning in 2014.

House Medicaid Vice Chairman Robert Johnson, D-Natchez, said a state agency or a hybrid of state agencies running the exchange would provide better customer service and safeguards against politics seeping into the process.

"I'm just not encouraged by what I've seen in boards that deal with something of this magnitude," Johnson said.

Charles Pace, director of governmental affairs for Blue Cross & Blue Shield of Mississippi, said the company wants to ensure that there is no duplication of regulatory oversight between the Insurance Department and the exchange.

Pace also said a broad base of insurers must participate in the exchange. "If you only have a few companies ... that's going to be an enormous cost."

Roy Mitchell, director of the Mississippi Health Advocacy Program, said the heavy industry representation on the proposed board would amount to the fox guarding the henhouse - "except this is the most expensive henhouse that is going to be built in this state."

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YES, at least she's dressed!

NO, I have some rules!

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He also said the exchange must allow individuals who go to the exchange and find out that they are eligible for Medicaid to access that coverage with one stop.

Of the estimated 500,000 in the state without insurance, it is expected about 369,000 will be eligible for Medicaid under the expansion in the federal law.

Mitchell said the exchange also needs to prevent people from losing coverage if their financial or health situation no longer qualifies them for Medicaid.

Medicaid officials testified they want to have final say in determining eligibility for the federal-state program.

To comment on this story, call Molly Parker at (601) 961-7075.

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View this article online: <http://www.insurancejournal.com/news/southeast/2011/02/09/184050.htm>

Mississippi Bill Lets Employers Buy Health Policies from Other States

February 9, 2011

The Mississippi House has approved a plan that would allow employers to buy group health insurance policies anywhere in the country, not just from Mississippi insurers.

The House, by an 83-33 margin, passed a bill to enact a health insurance exchange in Mississippi.

Backers say the health insurance exchange is a critical part of the federal Patient Protection and Affordable Care Act.

Aaron Sisk, senior staff attorney with the Mississippi Department of Insurance, says the exchanges are "a marketplace for health insurance ... a one-stop shop."

Presumably, people can get health insurance cheaper in the exchanges because the large volume of customers will drive down costs.

A similar bill is pending in the Mississippi Senate.

Under the federal law, states can either set up their own exchanges or leave it to the federal government to establish one.

Republican Gov. Haley Barbour, who has filed a lawsuit questioning the constitutionality of the federal health care law, supports the exchanges and is requesting \$1.5 million to put one in place in Mississippi.

Rep. Robert Johnson, D-Natchez, said no state money would be needed for the exchange this year. He said that before 2016, the federal government would pay at least 95 percent of the cost of the exchange and might pay it all.

He said Insurance Commission Mike Chaney already has received a \$1 million federal grant to begin work on enacting the exchange.

After 2016, the exchanges are required to be self-supporting.

The law calls for the exchanges to be up and running by January 2014. States are supposed to have their exchanges in place by January 2013.

"All we are setting up right now is the framework," Johnson said. "We're trying to get out in front of this. This provides us with a mechanism to get started."

The bill is House Bill 1220.

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House OKs plan for insurance exchange

by Bobby Harrison/Daily Journal Jackson Bureau
02.08.11 - 06:30 am



JACKSON - A key component of the new federal health care law was approved Monday by the Mississippi House.

The state House, by an 83-33 margin, passed legislation to enact a health insurance exchange in Mississippi.

The health insurance exchange is a critical part of the Affordable Care

Act. Aaron Sisk, senior staff attorney with the Mississippi Department of Insurance, has described the exchanges as "a marketplace for health insurance ... a one-stop shop."

Presumably, people can get health insurance cheaper in the exchanges because the large volume of customers will drive down costs.

A similar bill is pending in the Mississippi Senate.

Under the federal law, states can either set up their own exchanges or leave it to the federal government to establish one.

It is no secret that the federal health care law is unpopular with many segments of the population, especially Republicans. Ironically, Republican Gov. Haley Barbour, who has filed a lawsuit questioning the constitutionality of the federal health care law, supports the exchanges and is requesting \$1.5 million to put one in place in Mississippi.

On the House floor Monday afternoon, House Appropriations Chair Johnny Stringer, D-Montrose, said funds are not available during another tight budget year to pay for the exchange

Rep. Robert Johnson, D-Natchez, told Stringer no state money would be needed for the exchange this year. He said that before 2016, the federal government would pay at least 95 percent of the cost of the exchange and might pay it all.

He said Insurance Commission Mike Chaney already has received a \$1 million federal grant to begin work on enacting the exchange.

After 2016, the exchanges are required to be self-supporting.

The law calls for the exchanges to be up and running by January 2014. But the states are supposed to have their exchanges in place by January 2013.

"All we are setting up right now is the framework," Johnson said.

Rep. Gary Staples, R-Laurel, asked what would happen if the health care law, which is being challenged in the federal courts, is declared unconstitutional. Rep. Brandon Jones, D-Pascagoula, responded that Mississippians could still benefit from an exchange.

At least one Republican - Barbour - seems to agree. In his budget proposal to the Legislature, he said in November, "whether Obamacare ever goes into effect, the exchange will help Mississippians increase health insurance coverage for our citizens."

Contact Bobby Harrison at (601) 353-3119 or bobby.harrison@journalinc.com.

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Mississippi Health Insurance Exchange Would Expand Access To Coverage For Small-Business Employees, Supporters Say

07 Feb 2008

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A health insurance exchange program proposed by Mississippi Gov. Haley Barbour (R) would provide workers at more than 50,000 small businesses with better access to health care, proponents of the plan say, the Jackson *Clarion-Ledger* reports. In addition, supporters say the program would reduce businesses' overhead costs and allow employees to purchase a policy with pretax dollars.

Under the proposal, a not-for-profit agency, or some other agency established by the state, would serve as the clearinghouse for multiple health insurance plans and other coverage options. State officials estimate that it would cost about \$1.5 million to launch the program, and legislative action would be needed to create the agency.

The program would target uninsured residents who do not have access to private health insurance and do not qualify for Medicaid. Workers would purchase coverage, which would be portable, and employer and employee contributions to health plans would be tax-free. Although legislation has not been drafted, lawmakers appear willing to work on the proposal, according to the *Clarion-Ledger*. However, Therese Hanna, director of the not-for-profit Center for Mississippi Health Policy, said the proposal would "improve accessibility but may not improve affordability" (Rupp, Jackson *Clarion-Ledger*, 2/4).

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Mississippi House passes measure in sync with 'Obamacare'

By Phil West

Originally published 05:34 p.m., February 7, 2011

Updated 10:29 p.m., February 7, 2011

JACKSON -- Employers would be able to buy health insurance group policies anywhere in the country, not just from Mississippi insurers, under legislation House members approved on Monday.

The Health Benefit Exchange Act would make it easier for all employers to buy health care insurance and would create the Small Employer Exchange to help small businesses find insurers for their employees.

"The intent of this act is to reduce the number of uninsured, provide a transparent consumer-driven marketplace and assist individuals with access to programs, premium assistance tax credits and cost-sharing reductions," the legislation reads.

Supporters said the bill would give Mississippi a leg up on other states, which also would be required to set up health care exchanges under the federal Patient Protection and Affordable Care Act known to some as "Obamacare."

"We must have a health care exchange program in effect by 2014, or it will be done for you," said Medicaid Committee vice chairman Robert Johnson III, D-Natchez.

"We're trying to get out in front of this. This provides us with a mechanism to get started."

Opponents said the legislation, which would create a 16-member overseer board, would cost about \$1.5 million a year at a time when legislators scrape for every scant cent.

"I've got this real friendly letter from the governor saying we failed to fund this program at \$1.5 million," said Appropriations Committee chairman Johnny Stringer, D-Montrose.

"That's \$1.5 million in general funds that we don't have."

Some House members questioned the future of the state health care exchange should the federal Patient Protection and Affordable Care Act be found unconstitutional by the Supreme Court.

Two district courts have found the act unconstitutional, and two judges have upheld it.

Mississippi House members approved the Health Benefit Exchange Act on a vote of 84-33, with three members abstaining, and sent it to the Senate for consideration.

A Senate bill that would extend the 13-member Health Insurance Exchange Study Committee, created last year, was approved on a voice vote Thursday and sent to the House.

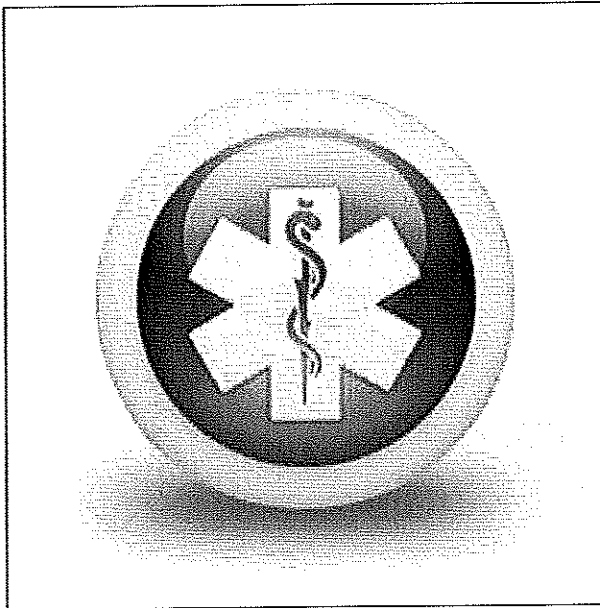


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House lawmakers approve insurance exchange plan

by Associated Press

Published: February 8th, 2011



JACKSON — The Mississippi House has approved a plan that would allow employers to buy group health insurance policies anywhere in the country, not just from Mississippi insurers.

The House, by an 83-33 margin yesterday, passed a bill to enact a health insurance exchange in Mississippi.

Backers say the health insurance exchange is a critical part of the federal Patient Protection and Affordable Care Act.

Aaron Sisk, senior staff attorney with the Mississippi Department of Insurance, says the exchanges are "a marketplace for health insurance ... a one-stop shop."

Presumably, people can get health insurance cheaper in the exchanges because the large volume of customers will drive down costs.

A similar bill is pending in the Mississippi Senate.

Under the federal law, states can either set up their own exchanges or leave it to the federal government to establish one.

Gov. Haley Barbour, who has filed a lawsuit questioning the constitutionality of the federal healthcare law, supports the exchanges and is requesting \$1.5 million to put one in place in Mississippi.

Rep. Robert Johnson, D-Natchez, said no state money would be needed for the exchange this year. He said that before 2016, the federal government would pay at least 95 percent of the cost of the exchange and might pay it all.

He said Insurance Commission Mike Chaney already has received a \$1-million federal grant to begin work on enacting the exchange.

After 2016, the exchanges are required to be self-supporting.

The law calls for the exchanges to be up and running by Jan. 2014. States are supposed to have their exchanges in place by Jan. 2013.

"All we are setting up right now is the framework," Johnson said. "We're trying to get out in front of this. This provides us with a mechanism to get started."

Complete URL: <http://msbusiness.com/blog/2011/02/house-lawmakers-approve-insurance-exchange-plan/>

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Bobby Harrison: Barbour and Others Push for Health Insurance Exchange in Mississippi

10. Feb, 2011  [1 Comment](#)



Mississippi Capitol

Bobby Harrison, Capitol Bureau Chief, The Northeast Mississippi Daily Journal:

Believe it or not, Republicans in the Mississippi Legislature might be more gung-ho to enact a portion of the controversial federal Affordable Care Act than their Democratic colleagues.

The Legislature is considering a proposal to establish a health insurance exchange. The exchange is a key component of the Affordable Care Act passed in 2010 that dramatically increases the number of Americans with health care coverage and puts limitations on insurance companies' ability to drop coverage. The exchanges have been described as a one-stop shop where people can go to pick out the insurance policy that best suits their needs. In theory, the insurance rates will be cheaper because of the large number of people participating in the exchanges.

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CONTACT YOUR LAWMAKERS

URGENT: Call your state House and Senate members and tell them to **OPPOSE** Gov. Haley Barbour's proposed funding cuts, including money meant for K-12 public schools, mental health and homestead exemption.

- 1.) [Click here](#) for a House roster and [click here](#) for a Senate roster, both of which are in PDF format and include lawmakers' phone numbers.
- 2.) Call your lawmakers at their home, their **office** or on their **cell phone**.
- 3.) Call your House and Senate members at the Capitol, **(601) 359-3770**.
- 4.) When you call, be polite and clearly request your lawmaker by name.
- 5.) Give the person who answers the phone your name and phone number.
- 6.) Ask the person who answers to relay your message: **Oppose the governor's funding cuts in next year's state budget and uphold the level of K-12 education funding that already was approved by the House and Senate earlier this session.**

[print](#)

Health insurance exchange dies for 2011

by Bobby Harrison/NEMS Daily Journal Jackson Bureau

04.03.11 - 09:20 am

"Mississippi has had a history of the federal government doing things for us. We should create our own."

**- House Insurance Chairman
Walter Robinson, D-Bolton**

Speaking on the state's need to create its own insurance exchange



JACKSON - A state health insurance exchange, a rare piece of the health care reform supported by both President Barack Obama and Gov. Haley Barbour, died during the 2011 session of the Mississippi Legislature.

Although the Legislature is still in session, it is not likely to revive the bill to establish an health insurance exchange in Mississippi. The legislation died last week when House and Senate leaders could not reach a compromise on the differences between the bills passed in the two chambers.

The exchanges are a key part of the controversial federal health care law passed in 2010. Under the new law, people will be able to buy health insurance through exchanges established in each state.

Aaron Sisk, senior staff attorney with the Mississippi Department of Insurance, has described the exchanges as "a marketplace for health insurance ... a one-stop shop."

Presumably, health insurance will be cheaper in the exchanges because the large volume of customers will drive down costs.

States can either set up their own exchanges or leave it to the federal government to establish one.

House Insurance Chairman Walter Robinson, D-Bolton, said the state needs to create its own exchange.

"Mississippi has had a history of the federal government doing things for us," Robinson said. "We should create our own."

Robinson predicted that goal can be accomplished during the 2012 session after the 2011 elections.

"If I am back, I have almost committed myself during the first two or three weeks to solving this," Robinson said.

Under both bills, the governing board of the exchange would consist of people in the insurance and health care industries, and consumer advocates, though the two chambers differed over the exact makeup of the board.

Plus, they disagreed over who would appoint the board members. The House gave appointments to the lieutenant governor, speaker and governor. The Senate version gave that authority to the governor and the state insurance commissioner.

The primary obstacle to a compromise this session was oversight of the board. In the legislation that passed the House, the board that governed the exchange would be a state agency. The Senate legislation had the board as a nonprofit, private entity.

Senate Insurance Chairman Buck Clarke, R-Hollandale, said he and the Senate negotiators were willing to put provisions in the bill to ensure oversight of the board, but he saw no reason to make it a state agency.

"It was kind of disappointing we could not reach an agreement after the work put forth by the Department of Insurance and the our study committee," Clarke said.

He said federal officials had pointed to the bill as it passed the Senate as a model of how the exchanges should be set up.

Robinson said he was not insistent that the board be a state agency, but he wanted sufficient oversight. Under the new health care law, the federal government will provide funds to the states to set up the exchanges, but they eventually are supposed to be financed through a fee or tax on the participating insurance companies.

Robinson said the Legislature has a duty to ensure that the exchange board does not overspend on items like furniture and staff because that will cost taxpayers more.

A study committee, which includes legislators, will continue to work on the issue in advance of tackling it again during the 2012 session.

The state already has received a \$1 million grant to work on establishing the exchange. While the goal was to have the framework in place this session and put in more details during the 2012 session, both Clarke and Robinson said there would be time during the 2012 session to do both.

At that point, Barbour, who has been a big supporter of the health insurance exchange, will no longer be in office. His term ends in early January.

Barbour has joined a number of other state officials from throughout the nation in filing lawsuits that question parts of the health care law. The lawsuits' primary target has been the mandate for most Americans to have insurance.

Barbour, on the other hand, has been a proponent of the health insurance exchanges for several years.

He said it would allow small businesses to get better rates on health insurance for their employees. Plus, under Barbour's plans, as in the federal law, some small businesses would get tax breaks for providing coverage.

The governor has said that even if parts of the federal law are struck down by the courts, he hopes some version of the health insurance exchanges would remain in effect.

Governance Structure Key Sticking Point As MS Lawmakers Craft Exchange Bill

Posted: March 25, 2011

The governance structure of Mississippi's health insurance exchange is a key sticking point between the House and Senate versions of a health benefit exchange bill being conferenced by state legislators, a government official tells *Inside Health Policy*. The House legislation requires the state to establish an exchange that would be an "agency" of the state, while the Senate legislation -- which was developed by the insurance department - would create a non-profit entity separate from the state. The debate reflects disagreement among states in how to set up their exchanges.

Aaron Sisk, legal counsel for the MS Insurance Department, says a possible outcome may be a mix between the two structures. Massachusetts' Connector is run by a quasi-governmental authority, and California's recently passed health exchange creates a similar structure

The Mississippi bills also differ in how they address the essential benefits package requirement. The state Senate bill (SB 2992) defines a "qualified health plan" as a health benefit plan that has been certified by state law or regulation, while the state House bill (H 1220) defines it as one that meets the criteria described in Section 1311 of the federal act. HHS is likely to issue regulations on the essential benefits package in the fall.

How narrow or broad the HHS essential benefits package will be is one of the more controversial health reform implementation issues, and many states have said that they will have trouble deciding how to move forward without that information. During a recent panel discussion on the issue, industry and advocacy representatives were in agreement that HHS should veer away from an overly prescriptive package in order to keep the plans -- and ultimately the new system -- actuarially sound.

Sisk says there are also differences in the makeup of the 16-member board that will oversee the state exchange. Those differences must also be worked out in the conferencing process.

He declined to speculate on the likelihood that the bill will be agreed upon and enacted. The general consensus, he said, is that Mississippi really would like to establish and operate its own exchange. There are just differing views of how to get there, he adds. -- Amy Lotven (alotven@jwnews.com)



Monday, April 11, 2011

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MS Insurance Commish Mike Chaney talks about the death of MS Health Care Exchange Law

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Mississippi's "Model Health Exchange Law" Dies

By Mike Chaney
Mississippi Insurance Commissioner
State Fire Marshal

I would like to take a little of your time today to talk about something that has dominated national news coverage for the last several years. It has also dominated a lot of time in the Mississippi Insurance Department.

When President Obama signed the Patient Protection and Affordable Care Act (PPACA), commonly known as Obamacare, last year, it set the stage for some sweeping changes in American health care. I'd like to be clear here that if I had a vote, I would not have supported PPACA.

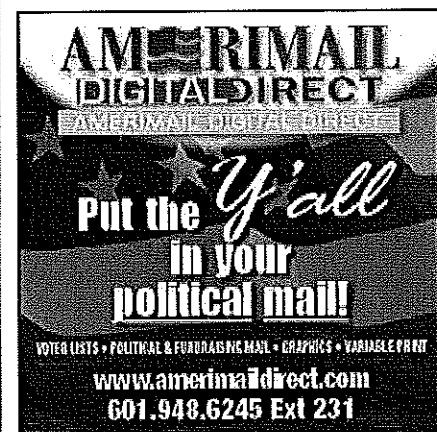
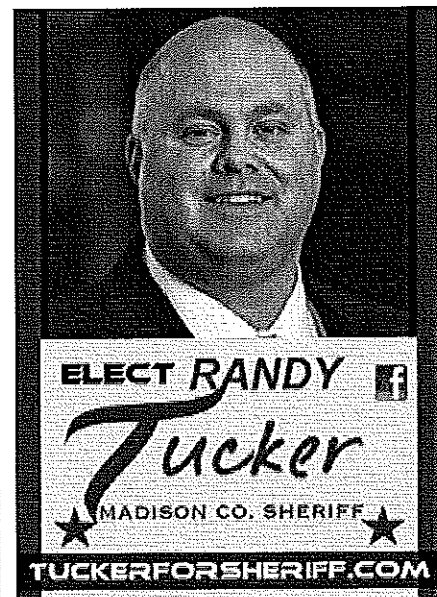
However, one particular facet of the law deserves special attention * and that is the health care exchange. Simply put, an exchange is a website where people can compare competing health care plans and choose one they can afford that serves them best. (Think Travelocity or Orbitz as they work in the travel industry.)

A health care exchange is not a partisan political issue. Across this nation, Republicans and Democrats alike have embraced the concept of health exchanges as a way to help individuals and small businesses more easily obtain health insurance. In fact, our own Gov. Haley Barbour has for three years introduced legislation in the Mississippi Legislature designed to set up an independent exchange in our state. He did not succeed, but with the passage of PPACA, health exchanges became part of the law. And while I may not have supported PPACA, it is now the law of the land and it is my sworn duty to uphold that law unless it is repealed.

Also, PPACA specifies that in states that do not set up a health exchange, the federal government will come in and run an exchange in those states. I simply do not believe that the federal government can run something in Mississippi to benefit Mississippians better than we can ourselves. We at MID see this as a way to set up and run our own exchange, specifically geared to our state and our problems and advantages.

To that end, the Mississippi Insurance Department has dedicated hundreds of manhours studying the health care law and trying to develop programs and legislation to comply with that law.

It was a Herculean task because while the law specifies that states would have an exchange, the blueprint for how to set up and run one were not addressed in PPACA, leaving states to figure it out on their own. I'm very proud of the work done in our department to craft legislation that would allow us to set up an exchange while leaving



room for adjustments to be made as the PPACA regulations become clearer.

Our staff did such a good job, in fact, that our legislation has been held out to other states as the "model exchange law" they should follow. The federal Health and Human Services Department came to Mississippi to learn about our legislation and went away impressed with how thoroughly we had met the challenge.

However, we knew the battle was not won. Health exchange bills had died in most states and in the Mississippi Legislature for three previous years, so we prepared for the legislative session as best we could. We held "learning sessions" for key legislators to show the bill to them and explain it to them line by line, knowing their understanding of what we were trying to do was crucial. We also held sessions for other stakeholders in the state such as consumer representatives, health insurance companies, rural health care advocates and health care groups.

We obtained promises of support from all stakeholders but ultimately it was not enough to overcome the politics of health care reform. Promised help failed to appear and promised support vanished. In the end, our goal to improve healthcare for all 2.9 million Mississippians and our argument that a market-based exchange, set up outside the federal law, was good for the 2.9 million people of Mississippi and would lead to better access to health insurance for all Mississippians was not enough to ensure passage.

Some opposed the bill because they could not get their own people on the governing board of the exchange, thinking erroneously that it would lead to big money for themselves and their supporters. Some opposed the bill because they oppose PPACA overall and could not see the exchange as a separate and independent entity. Some just want to let the federal government run it.

Despite the best efforts of myself and the Mississippi Insurance Department, exchange legislation that has been hailed as model legislation, died.

I will add, however, that I will not give up in the pursuit of a market-based exchange that will make coverage available to thousands of uninsured Mississippians.

Mike Chaney column

4/7/11

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Health exchange alive



Written by

Molly Parker

10:22 PM, Apr. 14, 2011

Insurance Commissioner Mike Chaney says he will use his authority to meet a mandate of the nation's health care law since legislators couldn't do so, establishing a one-stop shop of insurance plans at competitive rates.

Efforts to establish a health care exchange failed during the legislative session over debate about who should operate it.

"Without an exchange, or affordable health care, you're not going to have jobs in this state," Chaney said.

The exchange, stripped to its core, is one of the few components of President Barack Obama's health care law that has bipartisan support.

"The majority opinion is that we want to create an exchange," said House Insurance Committee Vice Chairman Brandon Jones, D-Pascagoula. But where there are differences between House Democrat and Senate Republican negotiators, he said, "they're pretty important details."

Jones and other House negotiators pushed for a state agency to operate the exchange, arguing that would streamline the process for Medicaid-eligible residents and provide oversight for the billions of dollars flowing through a system handling something as critical as health care coverage.

But Gov. Haley Barbour challenged that would invite more "bureaucracy and more red tape for the beneficiaries and additional costs for taxpayers."

Therein lied the breakdown. But Chaney said he's not forfeiting to the political stalemate.

Chaney would not release specifics on how his proposal would work, but cited enabling legislation for the Mississippi Comprehensive Health Insurance Risk Pool Association, a last-resort insurer.

The law says the risk pool is to aid residents in obtaining health and accident coverage under any "state or federal program" and may "adopt such rules as are

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necessary and proper" to that end.

In a letter dated March 24 to Senate Insurance Committee Chairman Buck Clarke, Barbour expressed opposition to creating a new state agency.

"We already have a model that works in our state," he said, referring to the nonprofit risk pool, which covers about 3,600.

Barbour stated he wanted the bill to contain "clearly defining language which would prevent mandated benefits and subsidies."

The state needs an exchange in place by Jan. 1, 2013, or the U.S. Department of Health and Human Services will step in and run it. Chaney said it needs to be up and running several months prior to that and said too much is at stake to wait until next year's legislative session for a deal.

For several years, Barbour has advocated creation of an exchange even though he is a plaintiff in a federal lawsuit challenging the constitutionality of the Patient Protection and Affordable Care Act.

In a recent letter, Barbour said a Mississippi-based exchange should "focus on small businesses and individuals, be voluntary, and would allow individuals to choose the insurance plan that best suits their needs."

Beyond being a one-stop shop, Chaney's office says an exchange also would certify and decertify qualified health plans;

operate a toll-free hotline; determine eligibility for Medicaid, CHIP or other applicable state or local public programs; and certify whether an individual is exempt from the law's mandate that requires most to have health insurance by Jan. 1, 2014.

For businesses with fewer than 50 employees, an exchange would allow employees to pick the plan that suits them and would absorb the administrative costs of packaging those plans across companies, said Clarke, R-Hollandale.

"The thing that was really disheartening was all the work that had been put into this, especially by the Department of Insurance, and the bill that we proposed in the Senate was the one that they had reviewed by the Department of Human Services at the federal level," Clarke said. "In Washington they were telling other states to look at that model by Mississippi."

But when the bill moved to a House-Senate negotiating committee, Jones said "the negotiation process really never took off."

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Medicaid Committee Vice Chairman Robert Johnson, D-Natchez, said it seemed more like House members were negotiating with Chaney's staff rather than senators. His main goal is for there to be a seamless process for individuals deemed Medicaid eligible by the exchange to enroll for Medicaid coverage.

A new agency or quasi-state agency running the exchange could work in tandem with the Division of Medicaid to ensure those who are eligible get coverage under the law's expansion, he said.

Individuals whose households earn less than 400 percent of the federal poverty level, or \$88,000, will qualify for a federal health care subsidy beginning in 2014. The exchange will calculate the amount.

Johnson argues there still is time to get an exchange in place during the next legislative session and that, depending on what Chaney proposes, he will look into whether the Legislature should attempt to override his proposal next spring.

"If he (Chaney) rushes to try to get that done in six or seven months, that just doesn't make sense," Johnson said.

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