

CCIIO SF-PPR-B

Grantee Information & Certification

PERFORMANCE PROGRESS REPORT SF-PPR			
1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	
		3a. DUNS Number 144965360	
		3b. EIN 1030452423A1	
4. Recipient Organization 1030452423A1		5. Recipient Identifying Number or Account Number	
Address Line 1			
Address Line 2 320 W WASHINGTON ST			
Address Line 3			
City SPRINGFIELD	State IL	Zip Code 62767	Zip Ext.
6. Project/Grant Period Start Date: 08/15/2011	6. Project/Grant Period End Date: 08/14/2012	7. Reporting Period End Date: 12/31/2011	8. Final Report? No
			9. Report Frequency QUARTERLY
10. Performance Narrative (Attach a performance narrative as instructed by the awarding Federal Agency)			
11. Other Attachments (attach other documents as needed or as instructed by the awarding Federal Agency)			

Certification

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
12a. Typed or Printed Name and Title of Authorized Certifying Official	12c. Telephone (area code, number and extension)
	12d. Email Address
12b. Signature of Authorized Certifying Official	12e. Date Report Submitted (Month, Day, Year)

A. Core Areas Background Research

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
		3b. EIN 1030452423A1	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Background Research
What are the primary strategies your Program has used to approach this Core Area?	<p>In the first quarter, the State assigned staff leads to each of the Exchange business areas identified in the <i>Exchange Reference Architecture: Foundation Guidance</i> document issued by CMS in March 2011. Staff leads identified all required business functions for their area(s) and began meeting with affected State staff and consultants in order to devise work plans and take other necessary steps to implement required functionality.</p> <p>The State also contracted with Health Management Associates (HMA) and Wakely Consulting Group to provide the following analysis:</p> <ol style="list-style-type: none"> 1) Evaluate Options and Develop Operational Plan for the Illinois Navigator Program; 2) Evaluate Options for Risk Adjustment & Reinsurance Programs; 3) Evaluate options for Illinois Small Business Health Option Programs (SHOP) Exchange Qualified Health Plans; 4) Propose process for Qualified Health Plan (QHP) certification, recertification and decertification; 5) Evaluate the Implications of the Basic Health Program; 6) Evaluate Alternative Revenue Options; and 7) Provide Ongoing Technical Assistance. <p>State staff met with HMA and Wakely consultants to launch work on the projects on November 14, 2011, and have since worked closely with the consultants on the development of deliverables. Final reports from each project are scheduled for delivery to the State between January and May 2012.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>As mentioned above, the State successfully developed a scope of work, contracted with HMA and Wakely, and began the process of developing deliverables for use in implementation of program requirements in each area. Each project is discussed in greater detail below.</p> <p>The consultants' work with the State related to the Navigator Program will include an assessment of possible integration with existing State programs that utilize extensive outreach programs, including All Kids and the Senior Health Insurance Program (SHIP), as well as Illinois producers. The consultants will also conduct interviews with key stakeholders to inform a proposal for the role of Navigators in the Exchange market as well as their required qualifications. The consultants will also provide recommendations on possible compensation and funding options for the Navigator program. Finally, an operational plan will be developed and will include high level milestones and timeframes for activities related to the Navigator program, the State's oversight role, recommended performance measures, and an initial program budget.</p> <p>Work related to the risk adjustment and reinsurance programs will produce a detailed work plan and timeline for making key decisions about the reinsurance program, including a plan for stakeholder engagement and recommendations for integration with rate review, MLR, and risk corridor payments. In addition, the report will include recommendations for the governance structure of the reinsurance entity, assessment of existing technical infrastructure and guidance on that necessary to host risk adjustment, and a data call to support an analysis of health plan rate development requirements related to reinsurance.</p> <p>SHOP analysis will include an assessment of possible SHOP models, including adverse selection issues surrounding different choice structures. In addition, the report will provide possibilities for the outsourcing of SHOP functions, a producer strategy, recommendations on SHOP rating practices, and an analysis of administrative requirements specific to the SHOP Exchange.</p> <p>QHP analysis will include an assessment of the level of interest from potential QHP issuers, the development of selection criteria for QHP proposals, a timeline and potential approach to issuing an RFP to potential QHP issuers, special requirements of Illinois law that may apply to the purchasing of QHPs, data sets for issuers to use in responding to QHP RFP, and an outline of follow-up tasks surrounding contracting with QHPS.</p> <p>The BHP project will produce an update of national BHP developments, including an analysis of federal guidance and regulations and a summary of activity in other states. The final report will include a financial model with assumptions regarding the BHP population and the second-lowest cost Exchange Silver premium. Finally, the consultants will develop a list of advantages and disadvantages of the BHP and its attendant policy options as well as short papers on management and operations issues.</p> <p>The Alternative Revenue Options portion of the project will provide the State with an analysis of funding options for Exchange operations in addition to an assessment of QHP issuers contained within a previous HMA-Wakely report. Additional options to be assessed include a claims transaction fee, an issuer assessment based on the model currently employed by the Illinois Comprehensive Health Insurance Program (CHIP), and an assessment combining CHIP and Stop Loss assessments. The consultants will also provide a timeline and plan for transitioning from federal grant funding.</p>
What are some of the significant barriers your Program has encountered?	While the contracting process with HMA and Wakely has been relatively untroubled, the State has limited internal staffing which has at times presented workload issues for those staff dedicated to the Exchange project.
What strategies has your Program employed to deal	The State has responded to workload issues by expanding its staff working on the Exchange project, both by hiring additional staff and repurposing existing staff. During the first quarter, a Fiscal Grants Manager and IT Project Manager were hired within the Department of Insurance, and a Staff Counsel previously assigned to rate review began working on Plan Management issues. In addition, a Research Assistant dedicated to Exchange

with these barriers? issues was added within the Office of the Governor, and a Senior Policy Advisor was added within the Department of Health and Family Services.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Insurance Market Analysis	12/31 End of Fourth Quarter	5. Complete	

A. Core Areas Stakeholder Consultation

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Stakeholder Consultation
What are the primary strategies your Program has used to approach this Core Area?	The State has pursued a wide array of strategies in conducting stakeholder engagement on the development of an Exchange. In drafting the initial version of its Exchange legislation, the Department of Insurance formed working groups of patient advocates, providers, producers, employers, and issuers. When the Illinois General Assembly formed a Legislative Study Committee to explore the establishment of an Exchange, it solicited commentary from these stakeholder groups in the form of both public and written testimony (the content of which is discussed in previous quarterly reports).
What are some of your Program's significant accomplishments or strengths in this Core Area?	During the first quarter, the Legislative Study Committee received commentary from stakeholder groups on an initial version of its report to the General Assembly (attached), which informed the content of the final report.
What are some of the significant barriers your Program has encountered?	As detailed in the "Legislative/Regulatory Activity" and "Governance" sections, a failure to reach consensus amongst stakeholder groups has produced a delay in Exchange legislation
What strategies has your Program employed to deal with these barriers?	The State continues to work with stakeholder groups and legislators to reach a consensus on outstanding issues as soon as possible

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Stakholder Advisory Committee	03/31 End of First Quarter	5. Complete	Completed Public Stakeholder meetings are listed at the following link: http://www.insurance.illinois.gov/hiric/public.asp
2	Complete Stakeholder Meetings	03/31 End of First Quarter	5. Complete	
3	Ongoing Stakeholder Consultation	12/31 End of Fourth Quarter	3. On Schedule	

A. Core Areas Legislative/Regulatory Action

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Legislative/Regulatory Action
What are the primary strategies your Program has used to approach this Core Area?	<p>As mentioned previously, the Department of Insurance developed working groups of patient advocates, providers, producers, employers, and issuers to help draft initial Exchange legislation throughout the winter and spring of 2011. Though it did not pass legislation establishing an Exchange during the 2011 Spring Session, the General Assembly and Governor enacted a law that formed a Legislative Study Committee to explore the establishment of an Exchange (as well as declaring the State's intent to do so).</p> <p>State officials from the Governor's Office, the Departments of Insurance and Health and Family Services, as well as the Comprehensive Health Insurance Program (CHIP, the State's high risk pool) testified before the Legislative Study Committee, which produced a report outlining requirements of an Exchange. Based on the findings of the Committee, legislation to establish an Exchange was introduced during the General Assembly's brief 2011 Fall Veto Session. Though not considered in committee during the Veto Session, the State expects Exchange legislation to pass during the 2012 Spring Session.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	Through its work with the Legislative Study Committee as well as its outreach and stakeholder engagement efforts, the State has educated Members of the General Assembly, stakeholder interest groups, and the general public about the necessity of passing Exchange legislation before the final Level II Establishment Grant deadline. Staff from the Governor's Office, the Department of Insurance, and the Department of Health and Family Services have worked with General Assembly Members in the development of legislation, and will continue to act as a resource as legislation is considered during the 2012 session.
What are some of the significant barriers your Program has encountered?	The State first hoped to see Exchange legislation passed during the General Assembly's 2011 Spring Session and later during its 2011 Fall Veto Session. The State argued that earlier passage of legislation would enhance the likelihood of successful implementation, but legislation was not ultimately passed during either 2011 session.
What strategies has your Program employed to deal with these barriers?	State staff from the Departments of Insurance and Health and Family Services, as well as the Governor's Office, have worked extensively with legislators in both parties to convey the necessity of Exchange legislation. Officials will continue to work with the General Assembly during the 2012 session

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Draft Enabling Legislation	03/31 End of First Quarter	5. Complete	
2	Introduce Enabling Legislation as Appropriate	06/30 End of Second Quarter	5. Complete	
3	Public Hearings	06/30 End of Second Quarter	5. Complete	The report by the legislative study committee, following a series of public hearings, is available at the following link: http://www2.illinois.gov/healthcarereform/Documents/IL%20HRIC%20Initial%20Report.pdf
4	Enabling Legal Authority	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Governance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Governance
What are the primary strategies your Program has used to approach this Core Area?	The State solicited an analysis of governance options, including advantages and disadvantages of each, as part of its 2011 Needs assessment contract with HMA and Wakely. In addition, the Department of Insurance sought input on the topic from its stakeholder groups, and the Legislative Study Committee did the same from the interest groups that provided public testimony.
What are some of your Program's significant accomplishments or strengths in this Core Area?	While disputes between stakeholder groups over endured throughout the Department of Insurance working group process, nearly all stakeholders agreed that the best governance structure for an Exchange was the quasi-governmental model. This preference generally persisted during the Legislative Study Committee hearings, and each version of the legislation introduced following the committee's final report adopted the quasi-governmental model.
What are some of the significant barriers your Program has encountered?	A significant part of the disagreement that forestalled Exchange legislation during the 2011 legislative sessions centered on the composition of the Exchange's Board of Directors. Topics in dispute included both the ability of representatives of certain industries to serve on the Board as well as the source of Board appointments
What strategies has your Program employed to deal with these barriers?	As mentioned above, the Department of Insurance hosted working group sessions that allowed diverse stakeholders to interact and express their preferences. Since the conclusion of the working group process, the State has maintained close contact with stakeholders to establish a compromise that is acceptable to all groups as well as a majority of state legislators.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Develop Governance Model	06/30 End of Second Quarter	3. On Schedule	The governance model has been proposed in several iterations of proposed legislation. These would likely be passed as part of enabling legislation.
2	Governing Body Standards	06/30 End of Second Quarter	3. On Schedule	Governing body standards have been proposed in several iterations of proposed legislation. These would likely be passed as part of enabling legislation.
3	Establish Governance Structure	09/30 End of Third Quarter	3. On Schedule	As of now, the State expects to pass enabling legislation to establish the governance structure by the end of the Spring 2012 Session.

A. Core Areas Exchange IT Systems

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Exchange IT Systems
What are the primary strategies your Program has used to approach this Core Area?	<p>As previously reported, an Integrated Eligibility System (IES) is being developed by the Illinois Department of Healthcare and Family Services (HFS). An RFP is being developed to secure the services of a Design, Develop and Implementation (DDI) vendor for the IES.</p> <p>Illinois continues to participate in the UX 2014 initiative and anticipates being able to incorporate much or all of the work of this initiative into the Illinois Exchange.</p> <p>The Exchange portion of the IT system (all functions except eligibility) is being developed by the Illinois Department of Insurance (DOI) which has also begun to initiate the procurement process to secure services of a systems integrator to design, develop and implement the Exchange IT system.</p> <p>Because of the timelines and requirements of this project, the effort will be significant but must be completed in for a relatively short period of time. Therefore, the system development work must be done by resources secured through this procurement</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>An Exchange IT Project Manager was hired on contract this quarter and we hope this will allow us to make progress in this area.</p> <p>The Exchange team has participated with HFS and other state departments in the requirements definition activities for the IES. The requirements project is being undertaken as a critical component of the procurement process and the RFP for the IES DDI vendor will include the IES requirements that are being developed.</p> <p>The Exchange portion of the IT is also engaged in the process of defining and documenting the functional requirements of the Exchange. We are planning to create business process maps of some of the key functional areas.</p> <p>An initial risk analysis was performed and a Risk Management Plan is being developed. A Project Charter and Acquisition Strategy are also being developed. We hope to complete our Architecture Review during the next quarter.</p> <p>A significant strength of this project is the commitment to close collaboration that has been made between DOI and HFS</p>
What are some of the significant barriers your Program has encountered?	Barriers include a procurement process that is cumbersome and timelines that are very aggressive. These barriers exacerbate a third barrier which is a team that is small with limited human resources
What strategies has your Program employed to deal with these barriers?	<p>To deal with a cumbersome procurement process, every attempt is made to communicate, plan and execute procurement activities with all appropriate people and with as much lead time as possible.</p> <p>In order to add more resources to the team, multiple strategies have been employed. As noted above, an IT Project Manager has been hired on contract and we plan to supplement our team with additional IT resources through one or more RFP's.</p>

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Conduct Gap Analysis	03/31 End of First Quarter	5. Complete	
2	Complete Product Review	03/31 End of First Quarter	5. Complete	
3	Preliminary Business Requirements	03/31 End of First Quarter	3. On Schedule	This is one quarter behind, according to the timeline included in Appendix B of the FOA.
4	SDLC Implementation Plan	06/30 End of Second Quarter	3. On Schedule	This is behind, according to the timeline included in Appendix B of the FOA.
5	Preliminary Requirements Documentation	06/30 End of Second Quarter	3. On Schedule	This is behind, according to the timeline included in Appendix B of the FOA.
6	Finalize IT Architecture	09/30 End of Third Quarter	3. On Schedule	This is behind, according to the timeline included in Appendix B of the FOA.
7	Final Requirements Documentation	09/30 End of Third Quarter	3. On Schedule	This is behind, according to the timeline included in Appendix B of the FOA.

A. Core Areas Program Integration

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Program Integration
What are the primary strategies your Program has used to approach this Core Area?	Key approach is frequent and regular meetings. <ul style="list-style-type: none"> • The two agency leads (from DOI, with primary Exchange responsibilities and from HFS, with primary Medicaid responsibilities) meet very regularly and draw in other agencies as necessary. • The Governor's Office, the Illinois Health Insurance Exchange (ILHIE) and the State's Central Management department are most frequently involved. • Monthly meetings are scheduled Between DOI, HFS, and the Office of Health Information Technology. • Meetings of the Directors of DOI and HFS with the Senior Health Policy Advisor to Governor Pat Quinn regularly address issues of common concern.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Illinois established an inter-agency workgroup In the fall of 2010 that has been overseeing the implementation of the new integrated eligibility system (IES). This remains the main vehicle for interagency communication-including around detailed interacting policies as well as systems development-but other vehicle are also important. For instance, the HFS lead is regularly involved in status reports from the needs assessment vendor and he worked with the University of Illinois at Chicago Survey Research group to design the survey of small business insurance needs. Other members of the HFS team participate with DOI in grant reporting and HIX system architectural design. Conversely, the DOI lead is co-chair of the Eligibility Oversight group, leads the User Experience sub-group and is very involved in the development and presentation of various eligibility system features.
What are some of the significant barriers your Program has encountered?	Two major barriers are: <ol style="list-style-type: none"> 1. Lack of finalized eligibility guidance: many of the coordinating decisions that must be made between Medicaid and the Exchange depend on specific guidance with regard to eligibility. While general guidance is available to structure the overall approach, lack of specific guidance as to policy and to approach to systems (e.g. details of National Hub, how eligibility will be processed for people whose eligibility cannot be finalized electronically, how to determine access to affordable ESI) is a hindering factor. 2. Inability to pass authorizing legislation: This does not pose a day-to-day problem-indeed, lack of an authorized board probably makes it easier for us to make some technical decisions-but the resulting uncertainty makes it difficult to know what will be the ground rules for program integration over the next 18 months resulting in the need to hedge certain decisions.
What strategies has your Program employed to deal with these barriers?	To mitigate these problems, we tend to pretend they don't exist. They are there, but we have plenty to do in the meantime. These issues will, however, have implications for whether we can actually meet the current deadlines of the ACA. (For instance, it is highly likely that changes in eligibility determination will require legislative changes when it comes to Medicaid-including revising certain eligibility categories to reflect the new options created by the ACA. Given the current uncertainty, we do not believe we can seek legislation until Spring 2013, which will leave no margin for error.)

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Initiate Interagency Collaboration	03/31 End of First Quarter	5. Complete	
2	Execute DOI Agreement	03/31 End of First Quarter	5. Complete	
3	Execute Health & Human Services Program Agreement	03/31 End of First Quarter	5. Complete	
4	No Wrong Door	03/31 End of First Quarter	5. Complete	
5	Document Cost Allocation	03/31 End of First Quarter	3. On Schedule	We have completed an initial cost-allocation as part for eh States' PAPD, and we are working on a revised cost-allocation methodology to accompany the IAPD.

A. Core Areas Financial Management

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Financial Management
What are the primary strategies your Program has used to approach this Core Area?	<p>The Department of Insurance has always followed all HHS rules and guidelines in managing its Grant Funding. In doing so, the Department has utilized standard practices established through the Offices of the State Treasurer and State Comptroller in order to receive and withdraw money from its Exchange grants. In addition, the Department has maintained internal spreadsheets to track each expenditure associated with the Exchange and to separate funds from different grants.</p> <p>In addition, the State initiated an internal audit process for all federal grants related to the Affordable Care Act during the first quarter. The audit is focused on ensuring that funds are used as intended and that all applicable accounting practices are followed</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>In order to ensure continued compliance with both HHS and state requirements for financial management as the Exchange establishment project grew more intensive, the Department of Insurance hired a Fiscal Grants Specialist to manage its Exchange Grant during the first quarter.</p> <p>Department of Insurance staff also began working with the Department's internal auditor to ensure that all materials necessary to complete the audit process were provided.</p>
What are some of the significant barriers your Program has encountered?	As Exchange workload increased, the Department of Insurance staff struggled to finish policy projects at its desired pace while simultaneously managing the financial aspects of the project
What strategies has your Program employed to deal with these barriers?	The Department hired a Fiscal Grants Specialist, Terri Smith, to manage all financial aspects of its Exchange Grants.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Adhere to Financial Monitoring	03/31 End of First Quarter	5. Complete	Ongoing.
2	Define Financial Management Structure	03/31 End of First Quarter	5. Complete	
3	Establish Financial Management Structure	06/30 End of Second Quarter	5. Complete	

A. Core Areas Oversight & Program Integrity

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Oversight & Program Integrity
What are the primary strategies your Program has used to approach this Core Area?	State staff have researched required Exchange business functions related to oversight and reporting based on federal guidance and rules associated with the Exchange Establishment Grants. State depends on existing infrastructure within the Department of Insurance, as well as other existing State resources, such as internal auditors, state hiring and management procedures, and the State procurement process, to ensure oversight and appropriate management of resources.
What are some of your Program's significant accomplishments or strengths in this Core Area?	State continues to successfully leverage existing state resources and processes for fraud, waste and abuse of Exchange funds and related activities. State staff have completed an initial description of activities within this core area necessary to consider as part of the Exchange operational system design.
What are some of the significant barriers your Program has encountered?	The federal government has not released business architectural guidance in the area of Oversight and Program Integrity.
What strategies has your Program employed to deal with these barriers?	The State has examined existing federal guidance as well as the example milestones contained in Appendix B of the Exchange Establishment Grant

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Establish External Audit Procedures	06/30 End of Second Quarter	3. On Schedule	
2	Waste, Fraud, & Abuse Prevention	06/30 End of Second Quarter	5. Complete	

A. Core Areas Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints

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A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints
What are the primary strategies your Program has used to approach this Core Area?	Illinois applied for and received federal grant dollars to strengthen the ability to assist, educate, and advocate on behalf of insured, uninsured and underinsured Illinois residents. Current services are provided through the Department's Office of Consumer Health Insurance (OCHI) and provides all minimum services needed to meet requirements under the federal law. The programs goals are to further extend and strengthen those activities for consumers.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Illinois has greatly enhanced consumer assistance functions through the Consumer Assistance Program grant awarded to the Department of Insurance. The Department awarded a contract to a consulting firm to provide a baseline assessment of the geographic and demographic breakdowns in the State, including those with limited English proficiency and individuals with disabilities.
What are some of the significant barriers your Program has encountered?	Significant delays in the State RFP process delayed the start of the work conducted by the consulting firm.
What strategies has your Program employed to deal with these barriers?	The Department applied for a No Cost Extension as allowed under the grant to accommodate these delays.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Coordinate Individual Assistance	03/31 End of First Quarter	5. Complete	Department of Insurance already provides all minimum mandatory resources to consumers through its Office of Consumer Health Insurance (OCHI).
2	Analyze Consumer Assistance Data	06/30 End of Second Quarter	2. Behind	This report should be completed within the second quarter of the project.
3	Establish Coverage Appeals Protocol	06/30 End of Second Quarter	3. On Schedule	
4	Grievances and Appeals	09/30 End of Third Quarter	3. On Schedule	

A. Core Areas Certification of Qualified Health Plans

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Certification of Qualified Health Plans
What are the primary strategies your Program has used to approach this Core Area?	Illinois intends to maximize all opportunities to streamline and simplify the process of certifying qualified health plans to participate in the Exchange. To this end, Illinois intends to engage carriers in discussions on QHP certification to receive feedback on the development of this area.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The Department executed a contract in December 2011 with Wakely Consulting to assist with several aspects of the QHP certification process over the subsequent five months, including: <ul style="list-style-type: none"> • Detailed outline and analysis of the minimum federal requirements for QHPs, with accompanying statutory and regulatory citations. • Refine and prioritized list of QHP goals for Illinois • Assess and refine the feasibility/level of interest from carriers, and work with state to engage carriers. • Develop criteria for QHP proposals. • Develop timeline and standard approach to issuing QHP request for proposals (including any necessary Illinois-specific statutory needs). • Outline tasks associated with QHP contracting.
What are some of the significant barriers your Program has encountered?	In the absence of an Exchange governing board, key policy decisions related to the QHP process must be temporarily delayed.
What strategies has your Program employed to deal with these barriers?	Illinois continues to move forward on outlining goals for the QHP process as well as identifying necessary internal and governance functions that can then be shared with an incoming Exchange board.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Develop Certification Process	06/30 End of Second Quarter	3. On Schedule	
2	Begin Developing QHP Standards	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Call Center & In-Person Assistance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Call Center & In-Person Assistance
What are the primary strategies your Program has used to approach this Core Area?	The State intends to develop an Exchange Call Center that will serve as the primary entry point for all calls related to coverage. Given the expanding and contracting needs for call center assistance by the Exchange (with open enrollment periods and season volume changes) the State expects to entirely outsource the call center functionality for the first year with the option to extend that outsourcing role. In the event that questions are complicated or differ from the core abilities of call center employees, protocols will be developed that direct call center employees to conduct a "hot transfer" to eligibility and enrollment specialists within the public program offices, as well as the Office of Consumer Health Insurance (OCHI) within the Department of Insurance.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State has established a call center strategy, in coordination with Integrate Eligibility System (IES) partners, and is incorporating this vision into all planning documents as RFPs.
What are some of the significant barriers your Program has encountered?	None to date.
What strategies has your Program employed to deal with these barriers?	N/A

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Assess Call Center Collaboration Opportunities	03/31 End of First Quarter	5. Complete	
2	Complete Call Center Procurement	06/30 End of Second Quarter	3. On Schedule	Requirements for this RFP are already being contemplated as part of our business requirements, but they are in draft form.

A. Core Areas Exchange Website and Calculator

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
		3b. EIN 1030452423A1	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Exchange Website and Calculator
What are the primary strategies your Program has used to approach this Core Area?	<p>While the premium calculator function will be embedded within the Exchange website, the State's approach to planning for the development of the Exchange website and calculator function are different, with the website be the primary aspect of this core area we have focused on to date.</p> <ul style="list-style-type: none"> The State's approach to developing the Exchange website has been entirely integrated between the two primary entities working on functionality that will affect the users -- the Integrated Eligibility System (IES) Project, led by the Illinois Department of Healthcare and Family Services (HFS), and the user experience (UX) 2014 project, led by the Illinois Department of Insurance (DOI). As such, we expect that throughout the development lifecycle, user testing, and production, both entities will work collaboratively to support a website that will meet the needs of all individuals, no matter what coverage they are eligible for. The IES will house a series of screens to conduct eligibility for all health coverage that will be integrated into the Exchange web portal, but as stated above, all programs will leverage the user experience design development through UX 2014. The calculator function is a mechanism that will be developed (at this point) strictly in line with federal requirements and embedded within the enrollment function of the Exchange web portal. In fact, it is one element the State expects a DDI vendor will "borrow" from an early innovator State, the federal government, or a COTS solution already in existence. However the functionality is achieved, the calculator's specifications will be developed during the detailed design phase of the SDLC. The look and feel of that calculator will be driven in large part by design developed through the UX 2014 project.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State has continued to participate in the UX 2014 design workshops. Individuals from the Illinois team representing insurance, public programs in Medicaid and Human Services and the Illinois non-profit organizations traveled in September 2011 to the most recent workshop.</p> <p>In developing the specifications for the IES and HIX RFPs during the last quarter, and into the second quarter, Illinois has continues to integrate specifications to meet our strategies articulated above into those draft documents.</p> <p>In detailing business process requirements and flows, the Exchange team has accounted for the functionality of the website articulated by federal guidance to date, and included in those specifications the premium calculator.</p>
What are some of the significant barriers your Program has encountered?	<p>Barriers to progress thus far include:</p> <ul style="list-style-type: none"> Staffing limitations. It has been difficult to hire additional internal staff on the IT design side of this project. This has not inhibited progress by any means, but certainly progress is slower with the lack of resources.
What strategies has your Program employed to deal with these barriers?	<p>The Department is preparing to post an RFP for an IT design team that can provide the level of support the project needs to make faster progress on design specifications for the website (among other things). This RFP will be issued in place of the "System Integrator (SI) RFP originally envisioned in the Level 1 grant application, given the time sensitivity of the need. The SI function will now be combined with the larger RFP for a DDI vendor so those specific resources are entirely integrated.</p>

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Requirements Development	06/30 End of Second Quarter	3. On Schedule	This functionality is incorporated into the project's preliminary business process flow documents, currently being finalized.

A. Core Areas Quality Rating System

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
		3b. EIN 1030452423A1	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Quality Rating System
What are the primary strategies your Program has used to approach this Core Area?	The State is awaiting further guidance from the Secretary on quality rating guidelines before exploring and defining in greater detail the State's approach to a quality rating system. This issue will be touched upon (to the greatest extent it can) in conversations with carriers related to qualified health plan certification.
What are some of your Program's significant accomplishments or strengths in this Core Area?	Plans to incorporate discussion of the quality rating system are being incorporated in health plan consultation on QHPs.
What are some of the significant barriers your Program has encountered?	The only barrier to date is lack of clear federal guidance on this area. This inhibits a more rigorous, detailed conversation with carriers on this topic.
What strategies has your Program employed to deal with these barriers?	The project team still plans to address this issue with carriers in the absense of guidance, but again those conversations will by necessarily limited and high-level.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Utilize Quality Rating System	06/30 End of Second Quarter	3. On Schedule	None at this time.

A. Core Areas Navigator

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Navigator
What are the primary strategies your Program has used to approach this Core Area?	The State has a two-fold approach to investigating and recommending options for a Navigator Program. <ol style="list-style-type: none"> 1. Engaging the public, including key stakeholders, in evaluating their different visions for options and concerns about the structure or operations of the program. 2. Engaging consultants to assist the State in the process of evaluating options and developing a workplan for program establishment and financing.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State issued a request for public comment in 2010 regarding this issue, and continues to use this document to guide its vision. The State executed a contract with Health management Associates in December 2011 to assist with this Navigator Program planning. This contract includes the following deliverables over the next 3-4 months: <ol style="list-style-type: none"> 1. Outline of Navigator requirements in NPRM/ongoing monitoring of comments and final regs. 2. Assess potential integration possibilities and program features of existing programs or entities performing similar functions (including interviews of internal and external stakeholders). 3. Propose the options for the role of Navigators and their qualifications, based on research. 4. Develop a funding option report. 5. Develop a draft operational plan.
What are some of the significant barriers your Program has encountered?	In the absense of state enabling legislation, and given the sensitivity around the Navigator program within the State, the Exchange team may not be able to actually articulate the program requirements until after the legislature passes establishment legislation (anticipated by the end of May). This inhibits progress on actual program design, etc.
What strategies has your Program employed to deal with these barriers?	The collaborative work with HMA should provide a strong basis for operationalizing any plan for the program.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Navigator Planning	09/30 End of Third Quarter	3. On Schedule	Attached is the State's finalized work plan for deliverables from HMA.

A. Core Areas Eligibility Determinations

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Eligibility Determinations
What are the primary strategies your Program has used to approach this Core Area?	<p>Key approach is development of an integrated eligibility system that will replace an existing antiquated Medicaid (and SNAP/TANF) eligibility system with a state of the art, multi-access point, modular system to accommodate existing programs as well as the expanded Medicaid MAGI based population and eligibility for the Exchange.</p> <p>As currently envisioned, the approach will have two essential phases, the first to stand-up an eligibility determination system in time for ACA implementation (October, 2015).</p> <p>In addition to systems considerations - indeed, often as part of them - there are corresponding policy decisions that must be made, particularly with regard to the interfaces between current Medicaid eligibility categories and the Exchange, including such issues as the Basic Health Plan.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Illinois established an inter-agency workgroup in the fall of 2010 that has been overseeing the implementation of the new integrated eligibility system (IES). Key steps so far include:</p> <ul style="list-style-type: none"> • Completion of an external needs-assessment on the eligibility determination. That report, Eligibility, Verification & Enrollment (EVE) Needs Assessment Project Final Report, can be found at http://insurance.illinois.gov/hirc/resources/EVE-Needs_Assessment.pdf. • Procurement of a vendor to assist with subsequent development of an RFP and IAPD. (CSG Government Solutions started work in October, 2011). • Development of four major work groups on aspects of the IES that have been working with vendor to develop detailed requirements for the first phase of the IES and general requirements for the second phase. (Current requirement set is about 1700, just under two-thirds of which are business requirements, the remainder technical requirements). • Begin drafting of RFP and IAPD, including working out thorny issues such as where the system will be hosted. • Participate in the UX2014 work group to insure these principles are incorporated into the IES. <p>The goal is to have an IAPD approved and an RFP posted.</p>
What are some of the significant barriers your Program has encountered?	<p>Two major barriers are:</p> <ul style="list-style-type: none"> • Workload constraints on key personnel: while grant money and enhanced match have been available to Illinois, the previous years of aggressive budget cutting has reduced senior leadership-and the knowledge base they possess on existing programs and systems-to a bare minimum and one that is already overstretched. Moreover, Illinois' ongoing budget conditions have created a state of bureaucratic paralysis that makes it virtually impossible to hire people even when-as now funds are available. • State procurement procedures: for reasons both understandable and paranoid, Illinois has developed a set of procurement procedures that retard all rational progress.
What strategies has your Program employed to deal with these barriers?	<p>To mitigate these problems, we have undertaken the following steps:</p> <ul style="list-style-type: none"> • In November we posted an RFP to procure an entire PMO for the IES project that will supplement the existing leadership with technical and programmatic knowledge. (We anticipate entering into a contract by the end of February.) • We have been meeting regularly with the State purchasing function to keep them involved of our plans and to try to identify potential roadblocks and resolve them ahead of time. In order to reduce the amount of time required for vendor responses, we negotiated the ability of an intent to solicit document. http://www.purchase.state.il.us/r.nsf/g?open&d=17E8F172870F2FDF86257984007A6047. This outlines in some detail the nature of the project and the elements that will be included in the RFP. It is our hope this will allow potential vendors to assemble their bid team and develop a plan for responding to the RFP. We also believe negotiation of this document-Illinois has never done anything like this before-helped the State purchasing apparatus better understand our procurement and the time-lines that we face.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Requirements Development (OASHSPs)	03/31 End of First Quarter	3. On Schedule	The requirements are almost complete for inclusion in the state's IES RFP.

A. Core Areas Enrollment Process

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Enrollment Process
What are the primary strategies your Program has used to approach this Core Area?	Once eligibility has been determined for an individual (leveraging the Integrated Eligibility System), the Exchange will manage all enrollment processes for individuals eligible for private health insurance coverage. Pursuant to existing state law, individuals eligible for public health coverage must be enrolled by a State employee at this time. The design of the enrollment experience will follow UX 2014, and the call center/Navigator program/in-person assistants will support these functions.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The project team completed a high-level description of enrollment functions, based upon existing federal guidance. The project team launched work to develop business process flows to further flesh out enrollment processes. The project team has incorporated these functions into the initial drafts of the DDI RFP for the Exchange.
What are some of the significant barriers your Program has encountered?	None at this time.
What strategies has your Program employed to deal with these barriers?	N/A

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Systems Development	06/30 End of Second Quarter	3. On Schedule	
2	Begin Requirements Development (QHP)	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Applications & Notices

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Applications & Notices
What are the primary strategies your Program has used to approach this Core Area?	The State has incorporated planning work associated with this core area in the broader areas of "eligibility" and "consumer assistance". The ability of the system to provide applications and notices to prospective and existing clients is incorporated into evolving business process documents. The Integrated Eligibility System (IES) design and preliminary requirements includes a comprehensive approach to applications that accounts for several existing programs that are currently integrated, and maintaining that integration for public programs.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The state has incorporated design for this functionality into all preliminary requirements documents.
What are some of the significant barriers your Program has encountered?	None at this time.
What strategies has your Program employed to deal with these barriers?	N/A

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Review Federal Application Requirements	03/31 End of First Quarter	5. Complete	All relevant guidance has been reviewed and incorporated into business process documents attached throughout the report.

A. Core Areas Exemptions from Individual Responsibility Requirement and Payment

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Exemptions from Individual Responsibility Requirement and Payment
What are the primary strategies your Program has used to approach this Core Area?	The Exchange will conduct eligibility for the individual responsibility requirement leveraging the Integrated Eligibility System, and incorporate that functionality into the Exchange website. The State expects to leverage the federal hub to confirm this information with the IRS.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The project team has accounted for the eligibility and payment functionality in its high-level requirements documents and draft business process flows.
What are some of the significant barriers your Program has encountered?	A lack of information on how to connect to the federal hub has inhibited some technical planning for the States' DDI RFP.
What strategies has your Program employed to deal with these barriers?	We are moving forward with the development of the RFP in hopes that prior to posting the RFP or signing the contract (the latest) this information is provided by the federal government in a manner that ensures the design of the system (and pricing associated with building the system) is comprehensive and complete before the DDI project launches.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Systems Development	06/30 End of Second Quarter	3. On Schedule	
2	Begin Requirements Development (HHS)	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Premium Tax Credit and Cost-sharing Reduction Administration

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Premium Tax Credit and Cost-sharing Reduction Administration
What are the primary strategies your Program has used to approach this Core Area?	Utilizing HHS eligibility and financial management architectural documents, State staff developed a comprehensive list of required Exchange business functions to determine eligibility for and provide payment of premium tax credits and cost-sharing reductions. In addition, the State has formed inter-agency work groups and procured a vendor to assist in the development of an RFP to build an Integrated Eligibility System (IES) to test for eligibility for Exchange enrollment, tax credits, and cost-sharing reductions. For more information about the IES, please see the "Eligibility" section of this report.
What are some of your Program's significant accomplishments or strengths in this Core Area?	In the first quarter, the State completed a comprehensive list of required business functions detailing both the eligibility and payment processes for advanced premium tax credits and cost-sharing reductions. The State is currently working to incorporate these functions into a comprehensive Exchange RFP. The State has also procured a vendor (CSG Government Solutions) to help in the development of its IES RFP. Through an inter-agency collaborative effort featuring four separate work groups, the State has made significant progress and expects to issue the IES RFP by the end of March 2012.
What are some of the significant barriers your Program has encountered?	Because of the strong guidance contained in the eligibility and enrollment and financial management business architecture supplements, the State has experienced little difficulty in understanding the requirements for advanced premium tax credits and cost-sharing reductions. Most of the difficulty has come from the State's own procurement process, which has delayed progress in issuing the RFP
What strategies has your Program employed to deal with these barriers?	The State's IES team has worked closely with officials in charge of procurement to identify potential roadblocks and delays in the process. For more information, please see the "Eligibility" section of this report

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Developing Requirements	06/30 End of Second Quarter	3. On Schedule	Please referenced the "financing" core area document.

A. Core Areas Adjudication of Appeals of Eligibility Determinations

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Adjudication of Appeals of Eligibility Determinations
What are the primary strategies your Program has used to approach this Core Area?	The State has engaged in only preliminary conversations about how to integrate adjudication of appeals for eligibility determinations between the Integrated Eligibility System and the Exchange. No clear strategy has been finalized.
What are some of your Program's significant accomplishments or strengths in this Core Area?	N/A
What are some of the significant barriers your Program has encountered?	N/A
What strategies has your Program employed to deal with these barriers?	N/A

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Developing Appeals Processes	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Notification and appeals of employer liability for the employer responsibility payment

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
		3b. EIN 1030452423A1	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Notification and appeals of employer liability for the employer responsibility payment
What are the primary strategies your Program has used to approach this Core Area?	This element of the system will be incorporated into the eligibility portion of the system design.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State is developing an initial document to describe and annotate all mechanisms associated with this element of the system.
What are some of the significant barriers your Program has encountered?	None to date.
What strategies has your Program employed to deal with these barriers?	N/A

B. Milestones

#	Milestone	Target Completion	Status of Milestone	Documentation
1				

A. Core Areas Information reporting to IRS and enrollee

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
		3b. EIN 1030452423A1	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Information reporting to IRS and enrollee
What are the primary strategies your Program has used to approach this Core Area?	The State has used the eligibility and enrollment and financial management architectural documents to produce internal documents that detail information reporting requirements
What are some of your Program's significant accomplishments or strengths in this Core Area?	In the first quarter, the State completed its internal documents outlining process flows and identifying areas where federal government reporting is required. The Department of Insurance is currently in the process of incorporating these functions into a comprehensive Exchange RFP
What are some of the significant barriers your Program has encountered?	Though it is still in the early stages of addressing requirements in this area, the State has yet to experience significant barriers
What strategies has your Program employed to deal with these barriers?	The State continues to move forward with implementation and will address any barriers related to federal information reporting as they arise

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Systems Development	06/30 End of Second Quarter	3. On Schedule	

A. Core Areas Outreach and Education

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Outreach and Education
What are the primary strategies your Program has used to approach this Core Area?	The State has maintained a robust outreach program to educate affected populations and stakeholders about the development of an Exchange. Details of the first quarter's events appear below
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Throughout the first quarter, Department of Insurance Staff spoke at a wide variety of events, addressing both general topics related to Exchange development as well as specific issues important to certain stakeholders. Examples of groups and topics addressed include local Chambers of Commerce, advocate and charity organizations, hospital and university audiences. In addition, staff participated in events held by state and federal legislators and national medical and policy associations.</p> <p>On the small employer side, the State incorporated into its employer survey and focus group planning a section of questions that attempt to understand what the level of knowledge is among small businesses about the Exchange.</p>
What are some of the significant barriers your Program has encountered?	<p>With a limited staff dedicated to Exchange issues, it is often difficult for the Department of Insurance to send policy staff to every speaking engagement.</p> <p>Most significantly, in the absense of an established exchange, the State has struggled to begin branding and educating the public on defining the Illinois Exchange in advance of 2013. There is a desire to not get out too far ahead of the Exchange in branding, and this can be akward for developing a final outreach and education plan.</p>
What strategies has your Program employed to deal with these barriers?	Health reform policy staff continue to develop materials and train existing Department of Insurance outreach staff to give general presentations on Exchange development as well as more specific topics, such as SHOP and other ACA provisions related to small employers. This could also include more targeted presentations about specific topics of interest, such as essential health benefits.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Assess Outreach/Education Needs	03/31 End of First Quarter	3. On Schedule	
2	Develop Outreach/Education Plan	06/30 End of Second Quarter	2. Behind	
3	Distribute Outreach/Education Plan	09/30 End of Third Quarter	2. Behind	

A. Core Areas SHOP-specific Functions

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	SHOP-specific Functions
What are the primary strategies your Program has used to approach this Core Area?	The State has taken a multi-prong approach to designing the SHOP Exchange, which begins more significantly with an entire outreach project to small businesses, combined with additional operational assistance from Wakely Consulting to ensure all operational components are accounted for in the design and build of the SHOP.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State reviewed all existing guidance to date and has drafted at least initial business processes for the SHOP exchange within the various core function areas.</p> <p>The State executed an intergovernmental agreement and contract with University of Illinois, Chicago Department of Public Health to conduct outreach and engagement with employers in Illinois on the issue of the SHOP Exchange. The State, with UIC, collaborated with significant stakeholders, including the Illinois Chamber of Commerce, the Midwest Business Group on Health and others to develop a comprehensive approach to evaluating the small business perspective specifically in Illinois. The final approach agreed upon in a small business survey and series of 8-10 focus groups with business across the State.</p> <p>The State executed a contract with Wakely Consulting to provide assistance to the State on the SHOP, with the following deliverables to come over the next 4-5 months:</p> <ul style="list-style-type: none"> • Provide possible SHOP models with accompanying pros and cons. • Evaluation of adverse selection and associated "cost" • Opportunities for outsourcing SHOP functionality • Producer strategy for the SHOP Exchange • Recommendations for the SHOP rating practices • Administrative requirements of the SHOP, and options for supporting each of these functions or services
What are some of the significant barriers your Program has encountered?	Time and Resources. The only significant issue staff have encountered is balancing the multitude of tasks that must be managed and completed during this critical time period.
What strategies has your Program employed to deal with these barriers?	Aside from working beyond the normal hours of the workday, procuring assistance from Wakely Consulting and UIC has been an invaluable tool to making progress.

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1	Begin Requirements Development (S & P Operat)	03/31 End of First Quarter	5. Complete	

A. Core Areas Risk adjustment and transitional reinsurance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360 3b. EIN 1030452423A1	4. Reporting Period End Date 12/31/2011
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Risk adjustment and transitional reinsurance
What are the primary strategies your Program has used to approach this Core Area?	<p>In the first quarter, the Department of Insurance formed a working group to address issues related to risk adjustment and reinsurance. The group gathered information about ACA and HHS guidance requirements and opportunities for State flexibility in methodology. The group was joined by Tia Goss-Sawhney of the Department of Health and Family Services, a certified health actuary and Doctor of Public Health candidate whose dissertation concerns risk adjustment under the Affordable Care Act. Separately, Department staff used HHS financial management architectural guidance to define required business functions related to risk adjustment and reinsurance.</p> <p>The State also drafted a contract and obtained the services of HMA and Wakely to define requirements, produce policy recommendations, and formulate a state-specific work plan for risk adjustment and reinsurance.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	The Department of Insurance working group assessed the options and requirements for risk adjustment, and has made the tentative determination to defer to the federal risk adjustment administration for the first year of Exchange operations. With the help of consultants from HMA and Wakely, the Department is examining reinsurance options and requirements on an ongoing basis. The Department is currently working to incorporate required business functions related to risk adjustment and reinsurance into a comprehensive Exchange RFP.
What are some of the significant barriers your Program has encountered?	The Department of Insurance does not have the actuarial staff necessary to conduct risk adjustment, and has experienced severe difficulties in adding actuarial staff for the purposes of its rate review program
What strategies has your Program employed to deal with these barriers?	Because of the shortage of personnel and the difficulties in finding qualified applicants for similar positions, the Department of Insurance made the decision to defer risk adjustment activities to the federal government for the first year of Exchange operations

B. Milestones

	Milestone	Target Completion	Status of Milestone	Documentation
1				

C. Overall Project

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE110074	3a. DUNS 144965360	4. Reporting Period End Date 12/31/2011
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A. Milestones (continued) Complete questions for each Milestone.

C. Overall Project

(1) Question	(2) Response
Status of Project	2. Behind
Percentage Completed	2. 24-49%
Overall Progress Narrative	<p>Generally speaking, while the State is not as far along in its Exchange establishment as would be ideal (based on the timeline and milestones included in appendix B of the funding opportunity announcement), the project team has made significant progress in its operational planning for the Exchange. This is due in large part to additional staff, a significant focus on analyzing existing guidance and beginning to apply that guidance to numerous planning documents for the project, and the execution of several new partnerships with outside entities to assist the State in meeting milestones.</p> <p>During this period of intense behind-the-scenes work, the project team has established a more formal staffing structure, with core operational area leads within the policy team, and additional IT and administrative support from the teams new IT project Manager and Fiscal grants administrator. Despite significant personnel hurdles, the State successfully hired almost every proposed position included in the Level 1 grant, and executed almost every planned procurement. With these staff and contracts in place, the State hopes to make up some time lost due to delays in procurement and hiring.</p> <p>The State has not yet established an Exchange that meets all minimum federal requirements. While this has impacted the State's ability to make more significant progress in all aspects of Exchange planning, and the Spring 2012 session will be critical, project staff are moving full speed ahead to ensure an Illinois Exchange can still meet federal time requirements for establishment.</p>
Document approved changes to your Program's work plan	Comments: The State will be submitting a revised workplan in the next week.
Please describe any changes to key personnel assigned to this project, including contractual staff	Comments: None at this time.
Request CCIIO consultation	Yes <input checked="" type="checkbox"/> No
	Comments:

OMB Approval Number: 0970-0334
10/31/2012