

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 Illinois Department of Insurance			5. Recipient Identifying Number or Account Number
Address Line 1 100 W Randolph St Ste 9-301			
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Address Line 3			
City Chicago	State IL	Zip Code 60601	Zip Ext. 3286
6. Project/Grant Period Start Date: 08/15/2011	6. Project/Grant Period End Date: 08/14/2012	7. Reporting Period End Date: 06/30/2012	8. Final Report? No
			9. Report Frequency SEMI-ANNUAL
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 Legal Authority and 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 3b. EIN 1030452423A1	4. Reporting Period End Date 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Legal Authority and Governance
What are the primary strategies your Program has used to approach this Core Area?	<p>The Department of Insurance (DOI) has worked in close cooperation with staff from the Department of Healthcare and Family Services (HFS) and the Governor's Office, as well as Members of the Illinois General Assembly, in pursuit of legislation to establish a State-Based Exchange (SBE). During the Grant Period, State officials participated in several meetings of a stakeholder working group chaired by Representative Frank Mautino and Representative JoAnn Osmond (each of whom co-chaired the Illinois Health Benefits Exchange Legislative Study Committee referenced in previous reports and introduced Exchange legislation during the 2012 Spring Session). The working group included representatives from insurers, agents and brokers, providers, business groups, and consumer advocates, with the intention of producing a bill acceptable to each community and able to pass the Illinois General Assembly. Many of the disputed elements of the legislation centered on financing and the composition of the Exchange governing board. State officials presented a summary of various financing options and answered questions related to federal requirements and the activities of other states.</p> <p>Unfortunately, due to a reluctance among some participants to proceed with legislation prior to the Supreme Court ruling on the constitutionality of the Affordable Care Act (ACA), the group disbanded in May 2012 without passing enabling legislation. With no meetings of the General Assembly scheduled until November 2012, and with a tight timeline for meeting requirements by the October 2013 open enrollment deadline, the State elected to operate the Exchange under a federal partnership model in plan year 2014 while continuing to pursue the establishment of an SBE for plan year 2015.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	Though Illinois failed to pass Exchange establishment legislation, the State made the decision to pursue a federal partnership for both Plan Management and Consumer Assistance activities in 2014. The State will continue to pursue legislation to establish an SBE for plan year 2015.
What are some of the significant barriers your Program has encountered?	Due to disagreements over board composition and financing, as well as the wisdom of proceeding with Exchange establishment prior to the Supreme Court decision, the State was unable to pass enabling legislation during the Spring 2012 legislative session.
What strategies has your Program employed to deal with these barriers?	State officials will continue to work with stakeholders and the Illinois General Assembly to pass legislation establishing an SBE for plan year 2015. The State will operate Plan Management and Consumer Assistance activities under a federal partnership model during plan year 2014.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Enabling authority for Exchange and SHOP	Q2 - CY2012	2. Behind	
2	Board and governance structure	Q2 - CY2012	2. Behind	

A. Core Areas Consumer and Stakeholder Engagement and Support

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Consumer and Stakeholder Engagement and Support
What are the primary strategies your Program has used to approach this Core Area?	<p>DOI contracted with Health Management Associates to provide analysis of state options for a Navigator program, including an explanation of the NPRM and Final Rule, potential integration with current state programs, a proposal for the structure of the Navigator program, funding and compensation options for the program, and an operational plan for the program. The final report was released on July 6, 2012, and was available for public comment on the state's health reform website (www2.illinois.gov/gov/healthcarereform/) until July 27, 2012. During this period, the State received 49 separate comment submissions from a wide variety of stakeholders. State officials will utilize these comments as Navigator planning moves forward.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required Consumer Assistance functions. These functions are scheduled to commence by open enrollment for plan year 2015, when Illinois plans to establish an SBE. For more information about the HIX IT RFP, please see the "Technology" section.</p> <p>As mentioned in the "Legal Authority and Governance" section, staff from DOI, HFS, and the Governor's Office worked closely with Members of the Illinois General Assembly as well as stakeholder representatives from the insurer, agent and broker, provider, business, and consumer advocate communities to develop legislation to establish an SBE. Staff worked to provide lawmakers and stakeholders with information related to various options for financial sustainability and answer questions regarding federal requirements.</p> <p>The State also contracted with the University of Illinois-Chicago (UIC) School of Public Health to conduct a survey of state small business owners to identify current market conditions and identify services and features important to potential users of the Small Business Health Options Program. The UIC team, led by Jonathan Dopkeen, Director of the Center for Employee Health Studies, also conducted five focus groups in Chicago and Springfield. A final report documenting and analyzing the study's findings is expected to be released in the near future.</p> <p>DOI staff also held discussions with each of the five largest carriers in the Illinois market to discuss new requirements related to Qualified Health Plan (QHP) certification and risk adjustment and reinsurance, and solicit suggestions and concerns for the first year of Exchange operations.</p> <p>Additionally, DOI staff maintained an aggressive schedule of educational outreach presentations on the Exchange and other ACA reforms throughout the grant period, speaking before local groups including chambers of commerce, senior citizen centers, social workers, medical and law students, insurance agents, employee benefits professionals, and religious social services organizations.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State surveyed 607 Illinois small business owners and received in-depth comments from 17 additional business owners through the focus groups.</p> <p>DOI staff presented information to hundreds of citizens, including many whose work will be directly affected by the ACA (and, in turn, will have a direct influence on the success of the law's implementation in Illinois).</p> <p>The State received input on QHP certification and risk adjustment and reinsurance from each of the five largest insurance carriers.</p>
What are some of the significant barriers your Program has encountered?	DOI's Exchange policy team is relatively small and cannot accommodate all requests for public presentations.
What strategies has your Program employed to deal with these barriers?	Exchange policy staff worked to provide information and produce presentations and other materials for use by DOI's dedicated outreach staff, who continue to augment the policy team's engagement efforts.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Stakeholder consultation plan	Q4 - CY2014	3. On Schedule	

2	Outreach and education	Q4 - CY2012	3. On Schedule	
3	Call center	Q3 - CY2014	3. On Schedule	
4	Internet Web site	Q3 - CY2014	3. On Schedule	
5	Navigators	Q2 - CY2014	3. On Schedule	
6	Agents/brokers	Q1 - CY2014	3. On Schedule	
7	Tribal consultation plan		1. No Activity Planned	
8	Web brokers	Q1 - CY2014	3. On Schedule	

A. Core Areas Eligibility and Enrollment

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Eligibility and Enrollment
What are the primary strategies your Program has used to approach this Core Area?	<p>HFS retained CSG Government Solutions as its Integrated Eligibility System (IES) Project Management Office vendor, and worked with CSG, DOI, and the Department of Human Services (working together as the Eligibility Modernization Oversight Group (EMOG)) to develop a Request for Proposals (RFP) for the design, development, and implementation of the IES. The IES will provide eligibility determinations for Medicaid and the Exchange, as well as SNAP and TANF. The RFP was released March 26, 2012. Officials from HFS, DOI, and DHS worked throughout April and May to evaluate written proposals, and heard presentations from qualifying vendors during mid-June. The State is currently in the process of making an award, and should be ready to select and announce the winning vendor in the near future.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required Eligibility and Enrollment functions not handled by the IES, including employer eligibility determinations for the SHOP. These functions are scheduled to commence by open enrollment for plan year 2015, when Illinois plans to establish an SBE. For more information about the HIX IT RFP, please see the "Technology" section.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	The state developed and released an RFP, evaluated submitted proposals, evaluated vendor presentations, and will soon announce the winning proposal and negotiate a contract with its vendor.
What are some of the significant barriers your Program has encountered?	The State procurement process proceeded at a slow pace, slightly delaying the original timeline of the project.
What strategies has your Program employed to deal with these barriers?	HFS and other IES project team members worked to quickly evaluate applications, and will adjust activities to accommodate the new timeline if necessary.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Single streamlined application(s) for Exchange and SHOP	Q3 - CY2013	3. On Schedule	
2	Coordination strategy with Insurance Affordability Programs and the SHOP	Q3 - CY2013	3. On Schedule	
3	Application, updates, acceptance and processing, and responses to redeterminations	Q3 - CY2013	3. On Schedule	
4	Notices, data matching, annual redeterminations and response processing	Q3 - CY2013	3. On Schedule	
5	Verifications	Q3 - CY2013	3. On Schedule	
6	Document acceptance and processing	Q3 - CY2013	3. On Schedule	
7	Eligibility determination	Q3 - CY2013	3. On Schedule	
8	Eligibility determinations for APTC and CSR	Q3 - CY2013	3. On Schedule	
9	Applicant and employer notification	Q3 - CY2013	3. On Schedule	
10	Individual responsibility requirement and payment exemption determinations	Q3 - CY2013	3. On Schedule	
11	Eligibility appeals	Q3 - CY2013	3. On Schedule	
12	QHP selections and terminations, and APTC/advance CSR information processing	Q3 - CY2013	3. On Schedule	
13	Electronically report results of eligibility assessments and determinations	Q3 - CY2013	3. On Schedule	
14	High risk pool transition plan	Q3 - CY2013	3. On Schedule	

A. Core Areas Plan 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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Plan Management
What are the primary strategies your Program has used to approach this Core Area?	<p>The State contracted with Health Management Associates (HMA) and Wakely Consulting Group to provide assistance with identifying program needs and policy options for a number of Exchange activities, including QHP certification. The state used a Wakely analysis of the Exchange NPRM to identify areas where it would need to implement new efforts related to Plan Management. A more extensive final report on QHP certification activities will be released in the near future.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required Plan Management functions. These functions are scheduled to begin early in 2013 to allow for QHP certification for plan year 2014, when Illinois seeks to operate Plan Management Exchange functions under a federal-state partnership. For more information about the HIX IT RFP, please see the "Technology" section.</p> <p>DOI staff also met with the state's five largest health insurance issuers in order to solicit opinions about the process for incorporating new QHP certification requirements such as accreditation and network adequacy standards, and discussed the timeline for certifying products for inclusion on the Exchange in 2014.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>DOI completed an assessment of its current Plan Management activities and identified areas where it would need to expand its efforts to meet ACA requirements.</p> <p>DOI met with representatives of the five largest health insurers in Illinois to solicit recommendations for Plan Management during the first year of Exchange operations.</p>
What are some of the significant barriers your Program has encountered?	DOI will likely not be able to handle the expected increase in plan offerings due to the implementation of the Exchange with the present number of staff.
What strategies has your Program employed to deal with these barriers?	DOI will need to increase the staff in its Health Products Division to accommodate the increased workload related to Exchange implementation.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Appropriate authority to perform and oversee certification of QHPs	Q1 - CY2012	5. Complete	
2	QHP certification process	Q1 - CY2013	3. On Schedule	
3	Plan management system(s) or processes that support the collection of QHP issuer and plan data	Q1 - CY2013	3. On Schedule	
4	Ensure ongoing QHP compliance	Q1 - CY2014	3. On Schedule	
5	Support issuers and provide technical assistance	Q1 - CY2013	3. On Schedule	
6	Issuer recertification, decertification and appeals	Q1 - CY2014	3. On Schedule	
7	Timeline for QHP accreditation	Q1 - CY2013	3. On Schedule	
8	QHP quality reporting	Q4 - CY2013	3. On Schedule	

A. Core Areas Risk Adjustment and 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	4. Reporting Period End Date 06/30/2012
		3b. EIN 1030452423A1	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Risk Adjustment and Reinsurance
What are the primary strategies your Program has used to approach this Core Area?	<p>The State also contracted with Wakely to provide guidance on federal regulations and options for administration of risk adjustment and reinsurance, as well as a report on All Payer Claims Databases. A final report is expected to be released in the near future. Using preliminary results from the report, the state has worked carefully to evaluate its options, and decided to defer to the federal risk adjustment program (a decision that became a necessity when the State opted to enter a federal partnership for plan year 2014). Following the changes made in the final rule released in March, the State is evaluating its capacity to run reinsurance at the state level in 2014. The State is also considering operating simulations of the risk adjustment and reinsurance program to aid carriers in rate setting prior to the 2014 plan year.</p> <p>DOI also engaged carriers in discussions surrounding risk adjustment and reinsurance. Most carriers were comfortable with the state's decision to allow the federal government to operate risk adjustment. There was also some interest in participating in simulations prior to the submission of rates for plan year 2014.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State made the decision to allow the federal government to operate risk adjustment for plan year 2014.</p> <p>The State engaged each of the five largest health insurance carriers in discussions surrounding risk adjustment and reinsurance.</p>
What are some of the significant barriers your Program has encountered?	The State lacks the expertise and staffing to manage risk adjustment activities, and even reinsurance administration could pose a significant challenge.
What strategies has your Program employed to deal with these barriers?	The State is deferring to federal risk adjustment administration and is carefully evaluating its capacity to run a reinsurance program.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Risk adjustment program		1. No Activity Planned	
2	Reinsurance program	Q3 - CY2013	3. On Schedule	

A. Core Areas Small Business Health Options Program (SHOP)

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Small Business Health Options Program (SHOP)
What are the primary strategies your Program has used to approach this Core Area?	<p>As mentioned in the "Consumer and Stakeholder Engagement and Support" section, Illinois entered an intergovernmental agreement with the UIC School of Public Health to conduct a survey and focus groups with small business owners from across the state. The UIC team, led by Jon Dopkeen, Professor and Director of the Center for Employee Health Studies, surveyed 607 small business owners from all regions of the state by telephone and conducted five focus groups with 17 small business owners in Chicago and Springfield. The study elicited comments and data on a number of topics, including the current state of the small group health market in Illinois, potential functions of the Exchange, the role of agents and brokers, and knowledge of relevant ACA provisions such as the Small Business Health Care Tax Credit. Preliminary findings from the report were leveraged by Exchange staff in the development of business requirements for the HIX RFP. A final report detailing the study's findings is expected to be released in the near future.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required SHOP functions. These functions are scheduled to commence by open enrollment for plan year 2015, when Illinois plans to establish an SBE. For more information about the HIX IT RFP, please see the "Technology" section.</p> <p>The State also contracted with Wakely to provide analysis of regulations related to SHOP and of the choices Illinois has in implementing its SHOP. Issues that have been addressed include possible models for employer/employee plan choice in the SHOP and adverse selection implications for each, possible options for outsourcing of SHOP functions, a strategy for engaging producers, and administrative requirements for the SHOP. DOI expects the final report to be released in the near future.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State surveyed 607 small business owners from across Illinois and used focus groups to solicit detailed opinions from 17 additional small business owners.
What are some of the significant barriers your Program has encountered?	The State will not have to opportunity to implement its preferred SHOP policy options for plan year 2014 due to its inability to establish an SBE in legislation.
What strategies has your Program employed to deal with these barriers?	The State will continue to pursue legislation that allows it to operate an SBE in 2015.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	SHOP compliance with 45 CFR ? 155 Subpart H	Q4 - CY2013	3. On Schedule	
2	SHOP premium aggregation	Q4 - CY2013	3. On Schedule	
3	Electronically report results of eligibility assessments and determinations for SHOP	Q4 - CY2013	3. On Schedule	

A. Core Areas Organization and Human Resources

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Organization and Human Resources
What are the primary strategies your Program has used to approach this Core Area?	<p>Several State Agencies have worked in close cooperation on Exchange implementation and the associated upgrade of the State's eligibility systems. Three intergovernmental agreements (IGA) have been approved within the State to support the Exchange activities. DOI, HFS, and the Office of the Governor executed an intergovernmental agreement on February 22, 2011. This agreement permits DOI to share planning grant funding with HFS and the Governor's Office as needed for purposes related to the Exchange. The second IGA, executed October 3, 2011, is between DOI, HFS, DHS and the Governor's Office and relates to the collaboration across these key Departments and agencies activities related to the establishment of Exchange specifically for the Level 1 grants. A third IGA was executed on March 12, 2012 between HFS, DOI, DHS and the Governor's Office specifically related to Integrated Eligibility System activities (including management of funding provided through Medicaid match). Both will be amended and/or replaced as necessary once an Illinois Exchange is established by Illinois statute.</p> <p>Within DOI, Exchange planning activities take place within the Health Products Division, overseen by Deputy Director David Grant. Colleen Burns, Special Counsel for Health Policy, is the project lead for Exchange activities. Also working full time on the Exchange project are Tom Simonds, HIX IT Project Manager, Laura Jaskierski, Senior Health Policy Advisor, and Max Fletcher, Policy Analyst. In addition, Jennifer McGowan was hired through the Grant to work as a Research Assistant on Exchange and health reform issues in the Governor's Office, and Frank Kisner, DOI Deputy Director for Outreach, has joined the Exchange team on a part-time basis to serve as a policy lead for the Navigator Program and other Consumer Assistance efforts. In developing the RFP for Exchange IT services, the Exchange team engaged the help of technical and policy experts from across State Government.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	Laura Jaskierski and Jennifer McGowan were both added to the State Exchange team during the reporting period. Frank Kisner also agreed to lead Consumer Assistance efforts.
What are some of the significant barriers your Program has encountered?	Kate Rose, Deputy Director for Health Planning and DOI lead on the Exchange project, left DOI to pursue other opportunities in March 2012.
What strategies has your Program employed to deal with these barriers?	Colleen Burns, Special Counsel for Health Policy, has been named as the new DOI Exchange lead. The State is also looking to hire an Exchange Project Director to oversee the transition to an independent Exchange entity.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Organizational structure and staffing resources to perform Exchange activities	Q3 - CY2014	3. On Schedule	

A. Core Areas Finance and Accounting

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Finance and Accounting
What are the primary strategies your Program has used to approach this Core Area?	<p>The State contracted with Wakely Consulting to provide analysis of several options for funding an operational Exchange. The State's previous Needs Assessment evaluated the option of charging an assessment on QHPs. The new analysis will detail additional options, including an assessment on all state health insurance claims (including self-insured), an assessment on all fully insured health plans (similar to the current funding method for the Illinois Comprehensive Health Insurance Program (ICHIP), a state-run high risk pool), and an ICHIP-style assessment plus an additional assessment on Stop-Loss lines of business. The State used preliminary results from the report to advise State legislators and stakeholders during legislative negotiations in March 2012. DOI expects a final report to be released in the near future.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required Financial Management functions. These functions are scheduled to commence by open enrollment for plan year 2015, when Illinois plans to establish an SBE. For more information about the HIX IT RFP, please see the "Technology" section.</p> <p>DOI 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. In order to ensure continued compliance with both HHS and State requirements for financial management as the Exchange establishment process grew more intensive, in November 2011 DOI hired a Fiscal Grants Specialist, Terri Smith, to manage financial aspects of its Exchange Grants. Quincy Grimes, within HFS, is leading financial management from the Medicaid perspective, with responsibility to manage all cost-allocation activities in compliance with approved IAPD documents.</p> <p>In addition, DOI initiated an internal audit process for all federal grants related to the ACA, including the Level One Exchange Establishment Grant, in November 2011. The audit was focused on ensuring that funds are used as intended and that all applicable accounting practices are followed. DOI staff worked with the Department's internal auditor to ensure that all materials necessary to complete the audit process are provided. In April 2012, the audit concluded with no material or immaterial findings concerning any of the State's ACA grants.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The State has submitted all financial reports to HHS on time and has complied with all federal rules related to its grant.</p> <p>An internal audit of the State's ACA grants produced no material or immaterial findings.</p>
What are some of the significant barriers your Program has encountered?	The State was unable to pass legislation establishing an Exchange, and finding an appropriate funding mechanism was a key disagreement among stakeholders.
What strategies has your Program employed to deal with these barriers?	The State will release a report detailing potential funding options and will continue to work with stakeholders and legislators to pursue the establishment of an SBE for plan year 2015.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Long-term operational cost, budget, and management plan	Q3 - CY2013	3. On Schedule	

A. Core Areas Technology

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Technology
What are the primary strategies your Program has used to approach this Core Area?	<p>Under the leadership of IT Project Manager Tom Simonds, DOI began developing an RFP for Exchange IT systems (HIX IT RFP) in March 2012. The DOI Exchange team solicited the assistance of additional IT and policy staff from DOI, HFS, and the Office of Health Information Technology (OHIT). Staff divided into policy and technical teams to develop drafts of an RFP, which were submitted to legal staff and leadership within DOI, HFS, OHIT, and the Governor's Office. The RFP was submitted to state procurement officials in June 2012, and released July 20, 2012. The State is hoping to have a vendor begin work in December 2012.</p> <p>In March 2012, DOI released an RFP for a Design Management vendor to help work with DOI and the HIX IT vendor to produce technical and business requirements for IT implementation work. During May 2012, DOI and HFS staff evaluated submitted proposals, and during June 2012 staff interviewed prospective vendors. The State expects to sign an agreement with the winning vendor in the near future, and hopes to begin work on the project in September 2012.</p> <p>In addition, the State released an RFP for the design, development, and implementation of an Integrated Eligibility System and evaluated submitted proposals. For more information about this project, see "Eligibility and Enrollment."</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>The state finalized its HIX IT RFP during the reporting period, and it was released shortly thereafter.</p> <p>The State released its HIX Design Management RFP, evaluated submitted proposals, and interviewed potential vendors.</p>
What are some of the significant barriers your Program has encountered?	The slow nature of the State's procurement process has produced delays in the state's original timeline for the release of the HIX IT RFP.
What strategies has your Program employed to deal with these barriers?	DOI will revise its timeline for HIX IT work once a vendor is under contract. Operating as a federal partnership during plan year 2014 will take considerable pressure off of the State's implementation of the HIX IT system.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Compliance with HHS IT Guidance	Q4 - CY2013	3. On Schedule	
2	Adequate technology infrastructure and bandwidth	Q4 - CY2013	3. On Schedule	
3	IV&V, quality management and test procedures	Q4 - CY2013	3. On Schedule	

A. Core Areas Privacy and Security

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Privacy and Security
What are the primary strategies your Program has used to approach this Core Area?	DOI incorporated all applicable HHS privacy and security standards and documents as requirements in its HIX IT RFP, including <i>Moderate Security Requirements SSP Workbook for Health Insurance Exchanges, System Security Plan (SSP) Procedure for Health Insurance Exchanges, System Security Plan (SSP) Template, Internal Revenue Service Affordable Care Act Safeguard Procedure Report, Role-based access and authentication through Global Federated Identity and Privilege Management (GFIPM), The National Privacy and Security Framework for Electronic Exchange of Individually Identifiable Health Information, Enhanced Funding Requirements: Seven Conditions and Standards: Medicaid IT Supplement</i> , HIPAA, and several documents from the National Institute of Standards and Technology.
What are some of your Program's significant accomplishments or strengths in this Core Area?	DOI completed development of an RFP for HIX IT services incorporating all applicable Privacy and Security requirements.
What are some of the significant barriers your Program has encountered?	The slow nature of the State's procurement process has produced delays in the state's original timeline for the release of the HIX IT RFP.
What strategies has your Program employed to deal with these barriers?	DOI will revise its timeline for HIX IT work once a vendor is under contract. Operating as a federal partnership during plan year 2014 will take considerable pressure off of the State's implementation of the HIX IT system.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Privacy and Security standards policies and procedures	Q4 - CY2013	3. On Schedule	
2	Safeguards based on HHS IT guidance	Q4 - CY2013	3. On Schedule	
3	Safeguard protections for Federal information	Q4 - CY2013	3. On Schedule	

A. Core Areas Oversight, Monitoring, and Reporting

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 06/30/2012
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Oversight, Monitoring, and Reporting
What are the primary strategies your Program has used to approach this Core Area?	Since receiving its grant, DOI has complied with all grant reporting requirements, both programmatic and financial. As mentioned in the "Finance and Accounting" section, DOI conducted an internal audit of its grant procedures that produced no material or immaterial findings. DOI also incorporated all required Oversight and reporting functions into its HIX IT RFP.
What are some of your Program's significant accomplishments or strengths in this Core Area?	DOI conducted an internal audit of its grant procedures that produced no material or immaterial findings.
What are some of the significant barriers your Program has encountered?	DOI has faced no significant barriers in this core area.
What strategies has your Program employed to deal with these barriers?	N/A.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Routine oversight and monitoring of the Exchange's Activities	Q4 - CY2013	3. On Schedule	
2	Track/report performance and outcomes metrics related to Exchange Activities	Q4 - CY2013	3. On Schedule	
3	Uphold financial integrity provisions including accounting, reporting, and auditing procedures	Q4 - CY2013	3. On Schedule	

A. Core Areas Contracting, Outsourcing, and Agreements

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 06/30/2012
		3b. EIN 1030452423A1	

A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Contracting, Outsourcing, and Agreements
What are the primary strategies your Program has used to approach this Core Area?	<p>As mentioned throughout this report, DOI and HFS have contracted with several vendors to provide support for Exchange grant activities, including HMA and Wakely for Needs Assessment and policy analysis services, CSG for Project Management services, and signed an intergovernmental agreement with the UIC School of Public Health for a small employer survey and focus groups. The state soon expects to finalize contracts for HIX IT implementation, IES IT implementation, HIX Design Management, and analysis of Essential Health Benefit benchmark plan options.</p> <p>The HIX IT RFP released July 20, 2012, requests services for all required Oversight functions. These functions are scheduled to commence by open enrollment for plan year 2015, when Illinois plans to establish an SBE. For more information about the HIX IT RFP, please see the "Technology" section.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	Contractors have been key to many of the accomplishments detailed throughout this report.
What are some of the significant barriers your Program has encountered?	The slow nature of the State's procurement process often produces delays in obtaining the services of contractors.
What strategies has your Program employed to deal with these barriers?	When necessary, the State has adjusted its timelines for projects delayed due to the procurement process.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Contracting and outsourcing agreements	Q3 - CY2013	3. On Schedule	

A. Core Areas State Partnership Exchange Activities

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 06/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	State Partnership Exchange Activities
What are the primary strategies your Program has used to approach this Core Area?	When the Spring Session of the Illinois General Assembly concluded without the passage of Exchange legislation, the State made the decision to pursue a federal partnership for Exchange administration in plan year 2014. The State is currently seeking to operate both Plan Management and Consumer Assistance functions under the partnership. For a discussion of activities related to these core areas, see the "Plan Management" and "Consumer and Stakeholder Engagement and Support" sections.
What are some of your Program's significant accomplishments or strengths in this Core Area?	The State has decided to pursue a federal partnership in which it will conduct Plan Management and Consumer Assistance activities during plan year 2014.
What are some of the significant barriers your Program has encountered?	The State is still evaluating its capacity to handle the increased workload associated with Plan Management, particularly the certification of QHPs for inclusion on the Exchange in 2014. The State is also seeking additional guidance on its role in operating Consumer Assistance functions under a federal partnership.
What strategies has your Program employed to deal with these barriers?	The State will seek to add the additional staff necessary to certify QHPs in a timely manner, will continue to monitor all federal guidance, and will present questions to federal officials when appropriate.

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Plan Management Agreements	Q1 - CY2013	3. On Schedule	
2	Capacity to interface with the Federally-facilitated Exchange	Q1 - CY2013	3. On Schedule	
3	Consumer assistance Agreements	Q2 - CY2013	3. On Schedule	

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 06/30/2012
		3b. EIN 1030452423A1	

A. Milestones (continued) Complete questions for each Milestone.

C. Overall Project

(1) Question	(2) Response
Status of Project	4. On Schedule
Percentage Completed	2. 0-24%
Overall Progress Narrative	<p>During the reporting period, the Illinois Health Benefits Exchange project experienced a setback when the Illinois General Assembly adjourned from its Spring Session without passing legislation to establish an Exchange. State officials will continue to work with legislators and stakeholders on enabling legislation, and hope to see a bill passed in the 2012 Fall Session beginning in November.</p> <p>On the technical side, Illinois made considerable progress during the reporting period. The State both retained Project Management services and released an RFP and evaluated proposals for the design, development, and implementation of IT services for its Integrated Eligibility System. In addition, the State released an RFP and evaluated proposals for a Design Management team for the HIX. The State worked to develop an RFP for HIX IT services and released it shortly after the end of the reporting period.</p> <p>After the General Assembly's 2012 Spring Session, Illinois decided to pursue a federal-state partnership for Exchange activities in 2014. The State is seeking to administer both Plan Management and Consumer Assistance activities under the partnership, and has redirected its planning efforts accordingly. The State will continue efforts to establish a State-Based Exchange, with operations starting plan year 2015.</p>
Document approved changes to your Program's work plan	<p>Comments:</p> <p>The State elected to pursue a federal-state partnership for Exchange Operations in plan year 2014. All work plan activities not operated by the state under such a partnership will now start in plan year 2015.</p>
Please describe any changes to key personnel assigned to this project, including contractual staff	<p>Comments:</p> <p>Kate Rose, Deputy Director for Health Planning and DOI lead on the Exchange project, left DOI to pursue other opportunities in March 2012. Colleen Burns, Health Counsel, has been named as the new DOI Exchange lead. Laura Jaskierski and Jennifer McGowan were both added to the State Exchange team during the reporting period.</p>
Request CCIIO consultation	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Comments:</p> <p>Illinois recently participated in the CMS/Econometrica Market Analytics Technical Assistance project, and welcomes all future opportunities for technical assistance.</p>

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