1. Executive Summary

The federal health reform law, known as the Affordable Care Act (ACA), creates health insurance Exchanges to allow consumers to apply for and access public coverage programs and private insurance options, evaluate health plan choices, and make enrollment decisions about health insurance. Exchanges are a central component of a sweeping set of reforms, including: an expansion of the Medicaid program; the creation of federal tax subsidies for lower-income individuals and families who are not eligible for Medicaid; the institution of a range of consumer protections and insurance market reforms to the individual and group insurance market; and, the requirement that individuals purchase insurance if it is affordable.

The ACA places improvements to state information technology systems at the center of the implementation effort. The ACA requires that state Medicaid agencies and Exchanges receive online and paper applications, determine an applicant’s eligibility for Medicaid, CHIP or Exchange-based subsidized coverage, and enroll eligible persons into the health plan of their choice.

To address the need to comply with the state-based streamlined eligibility system envisioned by the ACA, Illinois established the project that has resulted in this report. Originally chartered to focus on options to modernize the current eligibility, verification and enrollment (EVE) system to meet new federal standards defined by ACA, the course of the planning work modified both the focus of and terminology used to describe the project. As a result, this report is intended to assist the state in developing an Integrated Eligibility System (IES) strategy.

The work began with an evaluation of the current technology systems in use in Illinois and the business environment for users of these systems. The limitations of the current technology environment are significant. Business rules are embedded within the Automated Intake System (AIS) and the Client Information System (CIS), creating a range of policy and operational challenges. The system is heavily dependent upon “coding” structures whereby individual data fields have multiple meanings (e.g. case number signifies eligibility categories in some situations). The operational implications for users also create significant and longstanding concerns. The current operational environment is labor intensive for caseworkers performing eligibility determination and enrollment processes. Business processes are heavily reliant on paper. Finally, the challenges of the current system need to be considered in the context of a system that is planning, out of necessity, for the implementation of significant Medicaid reforms, including increased redeterminations as a result of state Medicaid reform and the 2014 Medicaid expansion required by the ACA.

Recognizing the constraints of the current environment, steps have been taken in recent years to allow a path forward for the eventual upgrade or replacement of CIS and the associated components. The technology changes which were made to allow interaction of web-based applications are a key component of this path forward which will be leveraged to enable Phase 1 for the IES.
The HMA/CSG Team designed a series of options for review by state planners who were organized first as the EVE Planning Group and more recently as the Eligibility System Operations Group. That structured review of these options resulted in two primary conclusions:

- There is significant initial effort required to analyze and document business processes, comply with federal guidance, establish governance processes and acquire and implement the technology infrastructure to lay the groundwork for implementation of the exchange and any early phase of an IES.

- Moving through three discrete stages does not appear to be a desirable approach to achieve the target end state of a fully centralized, integrated eligibility and enrollment system that enables the legacy systems to be retired.

As a result, a two-phase system vision was developed that had the elements of the previous analysis grouped into an October 2013 initial implementation and a 2015 target completion. The group then moved to the next stage of analysis that would provide a high level roadmap for the October 2013 System Vision and a more detailed implementation plan to be utilized for the path forward.

The process also highlighted and crystallized that the current business processes in DHS local offices are unsustainable in the face of major new initiatives and expansions that will put even more stress on those processes. The structured review resulted in a list of opportunities for business process improvement, both IT driven processes and basic policy approaches, which will improve operational processes.

The initial phase (Phase 1) and recommended implementation option, targeted for completion in October 2013, is designed to meet the following goals:

- To allow the State to improve the level of service offered to clients, including significant expansion of the Medicaid program and seamless enrollment in the Exchange, while minimizing additional State operating expenditures.

- To be fully compliant with all standards and conditions established by CMS and to move toward modularity, adaptive reuse, separate rules engines, and automated decision-making.

- To establish a technology framework that allows for utilization of best practices and collaboration with other states, the Federal Government and other entities.

- To maintain the integration of eligibility systems that currently exists among Medicaid, CHIP, SNAP and TANF while developing an Integrated Eligibility System (IES) and providing a base for the larger Framework Project to unify Health and Human Service applications in Illinois.

- To be feasible to accomplish within the timeframe established for HIX implementation.

To meet these goals, the October 2013 system vision leverages the legacy systems’ existing enrollment, case management, benefits processing, and data synchronization process. It focuses on development of
a “Front Door Portal”, implementation of new infrastructure, a new Integrated Eligibility System and HIX system establishment. Ultimately, the State desires to replace the legacy enrollment, case management, and benefits processing functions, as well as the associated technology infrastructure. Those efforts are not feasible in the timeframe established for HIX implementation but are represented in this report as the Phase 2, October 2015 system vision.

The report concludes with detailed recommendations for planning steps toward implementation, including a proposed timeline and a strong recommendation that the state define a clear governance structure for the project and conduct Business Process Modeling analysis that can simultaneously support implementation of the IES, identify process improvements and ensure that business needs drive the IT development process. With regards to the activities in the timeline, while many can be accomplished concurrently, staffing limitations and procurement issues present significant challenges to the timeline. It is assumed that for many of these activities the State will rely on contractual staff, but the early stages of Phase 1 will require significant State staff commitment.

The HMA/CSG Team worked very closely and intensely with members of the Eligibility Systems Operations Group and other state staff throughout this project. The subject matter is complex, and the challenges are imposing. Across DHS and HFS we have found staff to be engaged, motivated, and truly committed to the goal of improving services for Illinois residents. We hope that this report is a helpful step in achieving that goal.
2. Introduction and Background

The State of Illinois through a competitive procurement process selected Health Management Associates, with partners CSG and Wakely Consulting, to assist the Department of Insurance (DOI), the Department of Healthcare and Family Services (HFS) and the Department of Human Services (DHS) in performing a Needs Assessment for the implementation of an “American Health Benefit Exchange” (the “Exchange”) as provided for in the federal Affordable Care Act (ACA).

This Needs Assessment has been undertaken in two major components. These are:

- **Exchange Organizational and Impact Assessment.** This report is intended to help the State identify the business, organizational and financial needs of an Exchange and to assess the impact of the ACA and state-based Exchange on the Illinois insurance market and on existing Illinois public programs.

- **Eligibility, Verification, and Enrollment.** Initially this project included a component focused on modernizing the current eligibility, verification and enrollment (EVE) system to meet new federal standards defined by ACA. Through the course of the planning work, this focus shifted to development of a strategy for an Integrated Eligibility System (IES).

This report addresses the Needs Assessment for the **IES system component. A separate report** addresses the organizational and impact assessment. The IES system will include determination of eligibility for Medicaid (including CHIP and other State sponsored medical assistance programs) and the Health Benefits Exchange (HIX). During this project, the Illinois leadership team developed a funding request (Preliminary Advanced Planning Document, or PAPD) which has been submitted to the federal Department of Health and Human Services (HHS) to support planning for the IES components consistent with ACA requirements. In the course of discussions, the Illinois leadership team has replaced the concept of the EVE with the Integrated Eligibility System and therefore, the term IES replaces EVE as the system component throughout this report. It is also important to note that the Integrated Eligibility System is envisioned in later phases to also support the determination of eligibility for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) and eventually other Illinois human services programs. This Needs Assessment addresses the integration of all Illinois health and human service programs anticipated to be a part of the IES.

The IES Needs Assessment began with the engagement of HMA and CSG during early April, 2011. The project covered the following high-level tasks:

- Review of the current State of Illinois eligibility-processing operational and technology environment
- Specification of Federal eligibility and enrollment requirements under the ACA
- Review of related State initiatives that might be impacted by ACA implementation
- Development of options for IES implementation in the context of the ACA
- Assisting the State in developing detailed plans for the option selected
Throughout this project, HMA provided coordination and oversight to ensure that the IES Needs Assessment was coordinated with the work of the Exchange Organizational and Impact Assessment component.
3. Federal Environment

The IES Needs Assessment takes place in the context of a heavily regulated and swiftly changing federal environment. Exchange Information Technology (IT) development and Medicaid eligibility IT changes made necessary by the ACA are a high priority for the Centers for Medicare and Medicaid Services (CMS) and the Center for Consumer Information and Insurance Oversight (CCIIO) within the U.S. Department of Health and Human Services (HHS). The federal recognition of the importance of Exchange IT systems is reflected in: 1) the availability of planning and development funding; 2) the substantial guidance provided by CMS and CCIIO to date; and 3) the engagement of HHS in supporting the development of software and services for use by states. HHS is also building a data hub, discussed in more detail later in this report, which State eligibility systems can access for eligibility verifications of income, citizenship status, and other eligibility related information.

FEDERAL FUNDING

State Exchange implementation, including planning and development for Exchange IT needs, is being funded through federal grants. After an initial round of planning grant awards to most states in 2010, CCIIO issued a federal funding announcement describing the structure of federal financial support for Health Insurance Exchange establishment activities between now and the end of 2014. Establishment grant funding is available both for additional planning (known as Level One grants) and for implementation costs (Level Two). The Illinois Department of Insurance applied for a Level One grant in June 2011.

Funding to plan for Exchange and medical program eligibility IT needs is provided to state Medicaid agencies. In early 2011, CMS announced a change to its regulations to allow states to access enhanced federal financial participation (FFP) for design, development and installation or enhancement of eligibility determination systems which support the HIX implementation until December 31, 2015. Under the rule, the federal government will cover 90% of approved state costs. As is the case with all Medicaid-related FFP, states’ costs must be allocated when non-Medicaid programs are involved, and FFP is available only for Medicaid-related costs.

Taking these two potential funding vehicles together, Illinois has the opportunity to access substantial federal support for the IES project.

FEDERAL GUIDANCE

HHS has distributed a series of IT guidance documents intended to support state efforts to design, develop and implement IT systems related to the ACA and Exchange functions. The IT guidance, among other things, defines federal expectations for the business services and architecture of Exchanges and defines standards for the technical architecture of IT systems built to serve Exchange and ACA business needs. The content and details of that guidance are beyond the scope of this report, although our team

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1 42 C.F.R Part 33
2 http://cciio.hhs.gov/resources/regulations
has reviewed it in detail alongside state project participants and has used it to inform our work. The guidance specified seven standards and conditions that must be met by any system development project as a condition of enhanced federal funds, and which are critical to this project. The conditions are:

1. Modularity
2. MITA alignment
3. Leverage and reuse within and among states
4. Industry standard alignment
5. Support of business results
6. Reporting
7. Seamlessness and interoperability

IES project planners should closely monitor ongoing guidance from CCIIO and CMS in order to be prepared to articulate how the project will satisfy each of the architectural standards above and in order to benefit from the substantial work being done to support states in early design phases of ACA-related IT projects.

FEDERAL SUPPORTS AND SERVICES

HHS has also recognized that assistance in the development and acquisition of technology is an important support for states establishing Exchanges. HHS has provided large grants to six Early Innovator states for Exchange IT development with a goal of disseminating best practices and creating avenues for states to adapt models to their particular circumstances. We understand that CMS is also planning to establish “Learning Collaboratives” to help disseminate ideas and share best practices during Exchange implementation in the states.

It is important to note that in order to receive federal funding to support systems-development efforts, states have to demonstrate that they have conducted “due diligence” in reviewing the system models being developed by “Early Innovator” states. States will be required to justify a decision not to use these models. The Exchange Strategic Needs Assessment report discusses Early Innovators and broader purchasing and acquisition strategies for the full range of Exchange IT functions.

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3 Enhanced Funding Requirements: Seven Conditions and Standards, CMS Medicaid IT Supplement (MITS-11-01-v.1.0), April 2011.
4. **Options Analysis**

4.1 **Overview**

The analysis of implementation options for the Integrated Eligibility System (IES) was accomplished through a number of analytic phases.

The discovery phase was initiated through stakeholder meetings and a number of interviews with State program and technology staff. The information gathered allowed the HMA team to begin formulating, high-level expectations, requirements, constraints, and issues associated with the implementation of IES and HIX. In addition to DHS and HFS staff, the State CIO and head of the Office of Health Information Technology (OHIT) participated in the interviews. A summary of the interviews is included in Appendix 7.10.

Valuable input was provided by the committee members and interested parties in the Illinois Medicaid Advisory Committee (MAC) meeting on May 6, 2011. Written comments submitted by advocates attending the MAC meeting are contained in Appendix 7.9.

During discovery, functional and technology information was collected about existing DHS and HFS systems that could potentially be affected by IES. This information aided in understanding how a phased approach could be developed to meet both the timeline for implementation of the Exchange and the State’s longer term objectives. Implications are outlined in Appendix 7.5 and Risks and Benefits of the technology options are found in Appendix 7.6.

Available guidance from the Centers for Medicare & Medicaid Services (CMS) and the federal Health Information Technology Policy and Standards Committee was reviewed to develop a thorough understanding of the current technology standards and requirements for Medicaid and Exchange systems. Adherence to the CMS “Enhanced Funding Requirements: Seven Conditions and Standards” was a key component in developing implementation options. A summary of the Federal Requirements and Guidance is found in Appendix 7.11.

Lastly, CSG staff visited DHS local offices (also known as Family Community Resource Centers or FCRCs) in Cook and Sangamon counties to gain a front line staff perspective of the current environment. These visits brought into focus a number of challenges and limitations of the existing environment that need to be addressed in the future vision of IES.

Discovery provided a basis to develop an initial set of implementation options (depicted in Appendix 7.2 – Preliminary Functional Context Diagrams) for discussion and review with the EVE Planning Group. This group began to plan for IES in October of 2010 and is comprised of staff from all affected agencies including the Departments of Healthcare and Family Services, Human Services, Insurance, and Central Management Services and the Governor’s State CIO.

An evaluation of the implications of each option helped to vet another level of detail and began to differentiate the options. The development of a high level roadmap (found in Appendix 7.7) with major tasks mapped to a timeline also helped to identify what needed to be accomplished to implement IES.
and the Exchange. Through a number of iterations and refinements, two “system visions” were developed, one for the short term and one for longer-term planning. The recommended implementation option, 2013 System Vision, includes the short term implementation of IES and HIX. The 2015 System Vision represents the State objective of replacing the remaining functionality of the legacy systems.

### 4.2 Current Environment

#### 4.2.1 EXISTING OPERATIONAL AND TECHNOLOGY ENVIRONMENT

The IT systems which currently support enrollment into the Illinois Medicaid, SNAP and TANF programs consist of a distributed architecture which was established in the early 1980’s. The primary infrastructure consists of a series of Concurrent (mid-range processing units) nodes which are distributed at DHS local offices around the state. Each Concurrent node serves a number of DHS local offices. The Concurrent nodes run an application called the Automated Intake System (AIS), which collects information from client applications for Illinois Medical programs, SNAP and TANF. Data are stored on the Concurrent nodes and then transferred to the mainframe Client Information System (CIS) during routine updates. Information is stored on the mainframe CIS in the Client Data Base (CDB) which manages information about “cases”. Cases are groups of individuals based on the program for which they are eligible for (e.g. a household who share meals for SNAP purposes). Each individual in a case is assigned a Recipient Identification Number (RIN) which is used to uniquely identify the person across the multiple cases they may be associated with.

#### DATA CAPTURE

During the day, DHS caseworkers utilize the AIS to enter information about cases which triggers the AIS to interact with CIS to perform a series of background processes which are called “clearances”. The clearances process checks for various types of information associated with each individual person in a case (e.g., wage verification, social security number verification, etc). The DHS caseworkers see the results of the clearances as part of notifications which are issued from the AIS. Clearances are initiated by AIS / CIS processing based on the type of benefits for which the individual is applying and are not dependent upon caseworkers initiating them. Process maps for DHS and the HFS All Kids Program are found in Appendix 7.12 and 7.13 respectively.

#### DATA RECONCILIATION

Each evening, CIS sends information regarding individuals who have been determined eligible for one of the Illinois Medical programs to HFS. HFS maintains enrollment information by individual in the Recipient Data Base (RDB). The Medicaid Management Information System (MMIS) references the RDB as the system of record for Illinois Medical program eligibility. Although HFS can update the RDB directly, the primary interaction for all eligibility determinations is via the CIS maintained by DHS.
SYSTEM PROGRESS – INTERACTIONS WITH WEB-BASED SYSTEMS

Over the years, Illinois has made upgrades to the enrollment systems to support the intake and eligibility determination process. Upgrades include the addition of infrastructure which interacts directly with web-based applications using IBM Web Sphere tools and the creation of a Human Services Data Base (HSDB) which is a relational database allowing for greater flexibility. DHS and HFS created separate web-based systems that interact with the CIS / CDB by mimicking the interaction of the Concurrent system with CIS / CDB. This has allowed Illinois to create a means to open the application process up to the web with moderate success.

The HFS web based system is used to take applications for All Kids, FamilyCare and Moms & Babies (the Illinois Medical, CHIP and state-only funded programs for families). These applications are handled by a centralized unit of HFS staff that, for this purpose, functions as a DHS local office for processing these applications. The unit also receives paper applications for family health plans and enters those into a simplified version of AIS. HFS has direct access into AIS for other purposes as well, such as to perform direct maintenance on the Illinois family health plan cases.

The All Kids web system supports almost two-thirds of All Kids applications received. This application process requires clients to produce a hard copy of one month’s worth of pay stubs and a signature, and a substantial number of applications never get completed.

In addition, DHS has a web-based system which is used for enrollment into SNAP, TANF, and other programs. Usage rates are significantly lower than the online All Kids application. Stakeholder feedback indicates it is more difficult to navigate. Additionally, web submission does not eliminate the requirement to provide hard copies into local offices, reducing its effectiveness.

Ultimately, all cases are entered into some version of AIS which feeds the CIS / CDB and for those eligible for one of the Illinois Medical programs, the RDB. The current systems provide Illinois with an integrated eligibility determination system for use by the DHS local office staff (as well as HFS staff as noted above).

LIMITATIONS

The limitations of the current technology environment are significant. First, business rules are embedded within the AIS and CIS systems, creating a range of policy and operational challenges. There are a myriad of programs where eligibility determination rules exist. The system is heavily dependent upon “coding” structures whereby individual data fields have multiple meanings (e.g. case number signifies the type of eligibility in some situations). DHS has been able to maintain the system over the years to meet the basic needs of new programs which have been established, but often in ways which are not straightforward and also at the cost of ease of use for the caseworkers. Second, DHS caseworkers are swamped with paper. The current processes require paper to verify client information (e.g., wage slips) and the system also generates significant amounts of paper clearances which are printed out of AIS and then filed with the paper case files.
Illinois has long recognized that the systems are in need of an overhaul; however, lack of funding and the complexity of the challenges to move a continuously evolving system have made it difficult. The intertwined eligibility system is preferable to segregated processes and systems; however, this makes upgrading and improving the system difficult. Steps have been taken in recent years to allow a path forward for the eventual upgrade or replacement of CIS and the associated components. The technology changes that were made to allow interaction of web-based applications are a key component of this path forward which will be leveraged to enable the first phase (Phase 1) for the IES.

4.2.2 EXISTING BUSINESS PROCESS ENVIRONMENT

As detailed in the HFS Medicaid Information Technology Architecture (MITA) State Self-Assessment (a federal framework for developing architectures for state Medicaid enterprises), the current systems support an integrated set of eligibility determination and enrollment processes for the Illinois Medical programs as well as TANF and SNAP. These business processes generally occur at the DHS local offices using the AIS and associated CIS systems described earlier.

The steps for the eligibility determination business process for Illinois Medical programs are described generally in the following table.

<table>
<thead>
<tr>
<th>Business Process</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receive eligibility application data set (cover all trigger events i.e., time events)</td>
<td>Applications are registered in AIS upon receipt and a case ID is assigned. The application process is primarily paper driven</td>
</tr>
<tr>
<td>Verify status of application (new, resubmit, duplicate, and redetermination)</td>
<td>Application is assigned a status that is either new, duplicate, or redetermination and clearances are performed</td>
</tr>
<tr>
<td>Validate syntax and semantic requirements associated with children and families’ eligibility application. Business rules identify fatal and non-fatal errors and associated error messages</td>
<td>Some validation of data is performed as it is entered into the system</td>
</tr>
</tbody>
</table>
| Validate completeness and required fields. Business rules identify mandated fields and apply edits | Validations and verification of information provided can include, but is not limited to:  
  • Applicant demographics  
  • Income  
  • Spend down  
  • Resource eligibility  
  • Immigrant status  
  • Residency  
  • Transfer of resources applicable  
  • Verify institutional or non-institutional status  
  • Determine if spousal impoverishment applies  
  • Validation and verification process is predominantly manual |
| Meet with applicant or member head of household as scheduled by the Manage Applicant and Member Communication process. Review application and additional information | The application information is verified and validated through a variety of sources  
Verify applicant name, date of birth (DOB), gender, Social Security Number (SSN), and other required demographic elements. Validate applicant information with sources, e.g., Vital Statistics file, and SSA |
<table>
<thead>
<tr>
<th>Business Process</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>provided by the applicant in the determination process:</td>
<td>Verify income eligibility. Apply income standard (dollar amount) and methodology (rules for what is counted); verify applicant documentation (e.g., bank statements) with financial institutions</td>
</tr>
<tr>
<td></td>
<td>For spend down applicants, verify that qualifying medical care expenditures amount has been met</td>
</tr>
<tr>
<td></td>
<td>Verify resource eligibility. Apply resource standard (dollar amount) and methodology (rules for which assets are counted and how they count); verify applicant documentation</td>
</tr>
<tr>
<td></td>
<td>Verify immigrant status. Determine immigrant classification to which individual belongs (if applicable); verify documentation</td>
</tr>
<tr>
<td></td>
<td>Verify residency. Check documentation proving residency in the State (Note: If institutionalized in another State, eligibility stays with State of residency)</td>
</tr>
<tr>
<td></td>
<td>Verify other coverage. Validate information supplied by applicant; verify with other coverage sources not referenced by applicant</td>
</tr>
<tr>
<td>Determine transfer of resources</td>
<td>Determine if a transfer has occurred and compute the number of months before Medicaid benefits can begin based on the value of the transferred resources</td>
</tr>
<tr>
<td></td>
<td>Verify institutional versus non-institutional status. Institutionalization or community care status calls for different eligibility rules</td>
</tr>
<tr>
<td></td>
<td>Determine if spousal impoverishment applies. If one spouse remains in the community and the other is institutionalized, the community spouse’s resources and income may be disregarded</td>
</tr>
<tr>
<td>Determine eligibility for qualified Medicare beneficiary, Specified Low-Income Medicare Beneficiary Program and Qualified Individuals Program</td>
<td>AIS automatically determines eligibility based on information entered into the system</td>
</tr>
<tr>
<td>For disabled applicants, verify disability. Determine that applicant meets disability qualifications</td>
<td>Application information for disabled applicants is verified and validated</td>
</tr>
<tr>
<td>For pregnant women, verify pregnancy</td>
<td>Application information for pregnant women is confirmed</td>
</tr>
<tr>
<td>Apply composite eligibility determination rules — summation of all rules determines if applicant is eligible or not, and if eligible, for which category of eligibility</td>
<td>This process is automated for AIS. Once information is input into system, eligibility determination is an automated process</td>
</tr>
<tr>
<td>Determine other eligibility categories — identify other eligibility categories for which applicant may be eligible, and determine hierarchy of applicability in the case of multiple eligibilities; this includes eligibility for other programs, e.g., Disability, Veterans Administration, and Indian Health Service</td>
<td>There are many types of eligibility done within AIS. Individuals can be eligible for multiple programs and a hierarchy is determined for the eligible programs so payments can be made for services appropriately</td>
</tr>
<tr>
<td>Assign ID</td>
<td>A Recipient Identification Number (RIN) is assigned to the client at this time</td>
</tr>
<tr>
<td>Assign eligibility category(ies) [some children in family may not be eligible]</td>
<td>The AIS automatically assigns eligibility to the client based upon determination</td>
</tr>
</tbody>
</table>
**Business Process**

<table>
<thead>
<tr>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Associate benefit packages</strong> The AIS automatically assigns benefit package(s) based upon eligibility categories</td>
</tr>
<tr>
<td><strong>Load eligibility information into the Recipient Data Base (RDB)</strong> Eligibility information contained within AIS is extracted to CIS, which is then sent to the MMIS for loading into the RDB</td>
</tr>
<tr>
<td><strong>Request that the Manage Applicant and Member Communication process generate notifications</strong> Applicant is notified in writing of decision and includes appeals rights, if applicable</td>
</tr>
</tbody>
</table>

Steps in this process may happen simultaneously, not consecutively.

Both local office liaisons who met with CSG staff expressed concerns over the increase in Medicaid enrollees resulting from the 2014 Medicaid expansion given the constraints of the current environment. One observation from both locations is the number of individuals who will show up at the local office and endure long wait times just to verify benefit status. The new system should provide timely coverage information to customers via the web in a secure environment to alleviate some of the local office traffic.

Appendix 7.12 and 7.13 contain diagrams which outline the flow of application processing both for the DHS local offices (also called Family Community Resource Centers) and the HFS Bureau of All Kids.

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**SUMMARY OF CHALLENGES AND LIMITATIONS WITH THE CURRENT ENVIRONMENT**

The current operational environment is labor intensive for caseworkers performing eligibility determination and enrollment processes. It is important at the outset to emphasize that these challenges and limitations should be considered in the context of a system that is planning, out of necessity, for the implementation of significant Medicaid reforms, including increased redeterminations, in the last quarter of 2011 and for the Medicaid expansion required by the ACA in 2014. Systems as manually intensive as in the current environment are prone to errors. Limitations of the current environment include:

- Simple status information is not readily available to clients adding to the number of phone calls and local office visits.
- Workers often have to develop procedural workarounds to system limitations and policy changes due to lack of flexibility in the system.
- There is a minimum of pre-population of data throughout the system requiring re-keying of data.
- There is a heavy dependence upon paper files: paper documents generated by the AIS system are stored in file cabinets in the offices and staff spends significant time filing and retrieving paper documents.
- Little automation for validation of application information: This process is paper intensive, and even with the automated clearances functionality there is little automated validation of applicant information.
- The system is manually intensive which makes it prone to error.
• Language barriers for people with limited English proficiency.
• Staffing limitations prevent caseworkers from performing true case work and limit them to providing intake.
• Staffing at the DHS local offices and HFS Bureau of All Kids is currently very short-handed.
• Over the past, the reduction in caseworker numbers has led to decreased service levels and delays in processing applications.
• The current technology environment creates additional business and policy limitations.
• Business Rules are embedded in the system code and difficult to change.
• Access to data for management and dashboard reporting is limited.
• Lack of modularity in the legacy systems limits flexibility in making system changes and enhancements.
• Lack of integration means multiple entry screens for customer information.
• There is higher risk for multiple records for clients.

4.3 Current State Initiatives
In formulating IES implementation options, a number of health care and Medicaid initiatives underway at the State were considered. A summary of the primary initiatives follows.

THE ILLINOIS HEALTH AND HUMAN SERVICES FRAMEWORK PROJECT
The seven agencies that provide healthcare and human services in Illinois are involved in the State’s Framework Project, an effort to employ an enterprise solution to support integrated, streamlined and efficient delivery of healthcare and human services. These agencies include the Department on Aging, and the Departments of Children and Family Services, Commerce and Economic Opportunity, Employment Security, Healthcare and Family Services, Human Services and Public Health.

This project is governed by a Framework Executive Steering Committee (ESC), composed of Program, Policy, Budget and IT personnel reporting directly to the Governor and is intended to develop a modular, horizontally-integrated solution to support the common processes of service provision, management and evaluation:

• intake, assessment, and application
• information verification and eligibility determination
• case management and case work
• provider and business partner management
• reporting and analytics

The Framework Project is envisioned to provide oversight and integration of effort for new system development or system upgrades in the Illinois Government healthcare and human services environment.

Many of the core business functions that will support the Medicaid projects are also required for managing the other Framework programs and services in an integrated, efficient way. It is envisioned that the IES will potentially provide the eligibility base for the larger Framework Project.
MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS)
The Illinois Department of Healthcare and Family Services is in the planning stage for replacing its 30-year-old legacy Medicaid Management Information System (MMIS), which processes $14 billion dollars of Medicaid claims each year. The new system will be aligned with the Medicaid Information Technology Architecture (MITA) developed by the Centers for Medicare and Medicaid (CMS). The principles of MITA are designed to allow for interoperability among the various components of the business and technology components, which are supported by the underlying service oriented information architecture. This includes Business, Technology and Information Architecture models. The implications of the new MMIS project in Illinois will have a direct relationship to the plans for the Exchange and the EVE/IES system.

The initial planning phase is near completion, and HFS is determining the sequence for upgrading the business process areas, based upon strategic considerations. Initial efforts will focus on implementation of a Pharmacy Benefits Management system and then the implementation of the Core MMIS which will address hospital and other provider claims processing.

HEALTH INFORMATION EXCHANGE (HIE)
The statewide HIE will provide a foundation for the exchange of health information and encourage the widespread adoption of electronic health systems and the use of electronic health records among health care providers and patients. The HIE system will facilitate widespread utilization of electronic health records (EHRs) by health care providers and patients, allowing providers to participate fully in the health information technology incentives available from the federal government under the Medicare and Medicaid programs.

The HIE will also provide a governance structure to support the statewide exchange of health information with statewide standards, particularly for privacy and security and public health reporting of protected health information.

Local and more enterprise level HIEs and providers will utilize core services in implementing their health information exchange services. The services listed below will be web services – accessible to authorized HIEs, payer and provider systems serving as a single source for health exchange activities in Illinois:

- Master Patient Index
- Record Locator Service
- Provider Directory
- Payer Directory
- Public Health Entity Directory
- Security Services (Authentication, Access Control, Auditing)

HIE in Illinois is expected to evolve over time and will chronicle service implementation to document lessons learned and inform future strategies. The operational plan, therefore, takes an incremental, phased-in approach to implementation. Different components will become operational at different times. This will require that all components (e.g. provider systems, payer systems, local exchanges,
statewide Illinois HIE) be designed to function independently if other components are not ready upon
implementation. They must also be designed with the capability to plug into the other components of
the exchange as they become operational.

STATE MEDICARE REFORM
In January of this year, the General Assembly passed and Governor Quinn signed House Bill 5420,
legislation described as Medicaid reform. The legislation makes a variety of changes to the state’s
Medicaid, CHIP and All Kids programs, but most relevant are the following changes to eligibility policy
and procedures.

- New eligibility verification provisions to permit more data sharing of verification data from other
  entities, to require at least a month’s worth of income verification, to require verification of
  Illinois residence, and to provide for coverage cancellation after 60 days when individuals fail to
  respond to renewal notices. Federal CMS recently denied Illinois’ plan to require applicants to
  provide verification of a full month’s worth of income and documents to verify Illinois residency.
- Requires a complete application and an HFS determination of eligibility for non-pregnant adult
  applicants before presumptive eligibility coverage can begin.
- Establishes a two-year moratorium on eligibility expansions unless federally required.
- Tightens All Kids eligibility to cap income eligibility at 300% FPL with a one-year grace period for
  current participants with income over 300% FPL.
- Required a plan from HFS, DHS and other state agencies that outlines system plans in HFS, DHS
  and IL HIE.

4.4 Evaluation of Implementation Options

4.4.1 ANALYSIS METHOD
The information gathered in the discovery phase of this Needs Assessment Project provided the basis for
the evaluation of options for IES implementation. This information included: high level requirements
and priorities from internal and external stakeholders; federal guidance for ACA and Exchange
implementation; and the technology and operational challenges and limitations of the existing
organizational support structure and systems.

Initially, four options were developed and presented to the EVE Planning Group, which evolved into the
Eligibility System Oversight Group. These options did not represent discrete or unique underlying
technologies as the fundamental technology approach is based on industry standards and best practices.
Rather, these options represented potential approaches, starting with the current system and
processes, and complying with the ACA’s requirements for streamlined Medicaid and Exchange
eligibility. The Preliminary Functional Context Diagrams are found in Appendix 7.2.
These options included:

- A minimal change option that modified the existing state medical systems to interface with a newly developed system to support HIX eligibility, verification, enrollment, benefits processing, and plan selection and management.

- A phase one option that provided a new centralized eligibility function for state medical systems and HIX as well as combining the verification functions for HIX with state medical.

- The phase two option that incorporated eligibility and verification for SNAP and TANF into the new system with enrollment and system of record continuing to reside in the legacy systems.

- The phase three option that represented the desired end product by bringing the enrollment/system of record functions into the new environment, achieving a fully centralized eligibility, verification, and enrollment system.

The minimal change option was eliminated after discussion with the IES Planning Group. While the impact to the legacy systems was minimal, the benefits to the current operational environment were not deemed sufficient to consider this option as an initial phase.

The remaining three options, Centralized Eligibility Coordination, Fully Centralized Eligibility, and Fully Centralized Eligibility and Enrollment, were then further evaluated in the context of the implications of each option. This effort was designed to provide options; however, it became more helpful for the analysis to consider them as potential stages or phases of a multi-year effort to implement an integrated, fully centralized eligibility and enrollment system to support State Medical and HIX programs, and plan selection and management functions for HIX. The Final Functional Context Diagrams are found in Appendix 7.4.

### 4.4.2 IMPLICATION ANALYSIS

The three implementation options under consideration were presented via diagrams to the EVE Planning Group. In order to facilitate more detailed discussion and analysis, implications of each option were identified and grouped utilizing an Enterprise Domain Model with the following 5 domains: Business Process, Application, Data, Organization and Technology. This model allowed for organization of the implications within domains and by major IES characteristic or functional area for each option. Details of Domain Classification are found in Appendix 7.3.

There were four primary objectives to analyzing the implications of each option:

- To gain a common understanding of the impact of each option to the organization, business processes, and technology components.

- To develop preliminary scope of the eventual recommended option.

- To collect additional information on risk, benefits, and feasibility.

- To identify any additional implications not captured by the EVE analysis team.
4.4.2.1 DOMAIN DESCRIPTIONS

Each of the domains in the model is defined below in the context of the Illinois IES project:

<table>
<thead>
<tr>
<th>Domain</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Processes</td>
<td>A Business Process is a series of tasks that must be repeatedly executed to drive an organization’s business functions. This includes Illinois business areas currently involved in the eligibility determination and enrollment processes, the major functions of each business area, and the specific business processes necessary to perform the business functions.</td>
</tr>
<tr>
<td>Application</td>
<td>Application refers to the software programs – application systems - that support Illinois eligibility determination and enrollment. This also includes the interoperability / interfaces for sharing and facilitating information across these systems.</td>
</tr>
<tr>
<td>Organization</td>
<td>Organization involves the structure, and capabilities of the various components of Illinois agencies which are responsible for eligibility determination and enrollment. Organization also addresses the coordination of efforts across each of the other areas.</td>
</tr>
<tr>
<td>Data</td>
<td>Data refers to the information which is needed for the Illinois eligibility verification and enrollment operations which is stored and used by the application systems. This also includes the structures which are used to keep the data.</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology involves the hardware, system software, middleware, and communications components which support the business processes, application systems, data structures and organizational operations to support the overall Illinois eligibility verification and enrollment processes in the context of the EVE.</td>
</tr>
</tbody>
</table>

4.4.2.2 IMPLICATION TABLE

Implications to each of the options analyzed are defined relative to the domains above and detailed in the Technology Options Implications document in Appendix 7.5.

4.4.2.3 IMPLICATION ANALYSIS RESULTS

The implication analysis evaluated and documented the status of high level IES system components and functionality as well as key assumptions across the implementation options and domains. Within domains, implications for key areas of IES processing and other characteristics such as federal guidance and regulatory compliance were captured. These implications significantly expanded the level of detail that was initially provided in the options diagrams. The analysis served to differentiate the options and to begin to delineate the major elements of the scope of each option.

The implication analysis brought into focus the following:

- **There is significant initial effort required to analyze and document business processes, comply with federal guidance, establish governance processes, and acquire and implement the technology infrastructure to lay the groundwork for implementation of the exchange and any early phase of an Integrated Eligibility System (IES).**
• **Moving through three discrete stages did not appear to be a desirable approach to achieve the target end state of a fully centralized, integrated eligibility and enrollment system that enabled the legacy systems to be retired.**

As a result, a two phase system vision was developed that had the elements of the previous analysis grouped into a 2013 initial implementation and a 2015 target completion. This approach moved to the next stage of analysis that would provide a high level roadmap for the 2012 System Vision and a more detailed implementation plan to be utilized for the path forward. High level and Detailed Roadmaps for IES are found respectively in Appendix 7.7 and 7.8.

### 4.5 Evaluation of Business Process Options

A necessary part of the Needs Assessment includes analysis of the options for improving the business processes to complement the implementation of the IES.

The primary driver for improving the business processes at this point is that the DHS local offices are already overwhelmed with clients and cannot address current needs. Large case loads and reductions in the number of caseworkers limit staff functions primarily as “paper pushers”, greatly reducing their ability to perform traditional case management. The increase in services which will be needed to address the newly eligible Medicaid clients, as well as the annual redeterminations cannot be handled with existing staffing levels. DHS has estimated that an additional 500 caseworkers are needed to address the needs of the annual redeterminations due to the Illinois Medicaid Reform initiative, however, requests for the additional staff were denied by the Illinois Legislature.

Given that it is unlikely DHS can hire more caseworkers, improvements are critical in the way the work is handled and the workload is distributed. The options for improvements in business processes are closely associated with the implementation goals of the IES. Options for business process improvements identified include:

- **Focus more client interactions via the web to reduce burden on staff:** Many of the clients who currently need to interact with Illinois systems have access to the Internet either at home or at a community based organization. The current web-based systems do not maximize the opportunities for client interaction as in many cases an office visit is necessary to turn in hard-copy documents or to obtain simple information that could be made available via a web portal with client specific information.

- **In-office training for new technology:** To support the customer transition to new technology, local offices should be equipped with a PC and internet connection in the lobby. A staff member working onsite will help guide customers through the online processes while encouraging them to interact with the web services via any internet based PC (e.g. at home, community center, library).

- **Implementation of a centralized call center:** As another way to relieve the burden of basic requests for information on the local offices, a centralized call center should be considered as a
fundamental need. This could include a range of customer service functions such as providing information on the status of applications and support in completing applications, among other functions.

- **Streamline the application process so that more information is pre-populated:** This is a need for both the DHS / HFS staff using the systems, as well as the clients who interact with the web-based systems. If the information is already in the system and the client accessing the system is validated as the designated user, existing information should be displayed for viewing / updating as appropriate.

- **Implement document management systems:** Illinois DHS is in the process of developing a document management system which will allow for paper generated out of AIS to be sent directly to an electronic case file for the client. This will provide immediate benefits within the existing systems. HFS should also adopt this model and leverage implementation of document management for the All Kids Bureau. Further improvements can be made for the DHS local offices by reducing the amount of paper documents which are necessary – with the implementation of the Federal Data Hub for validation of information – and streamlined processes with IES, which will reduce duplication of effort.

The above options are business process improvement options that are primarily IT driven. IT systems are presently a significant driver of the way in which Illinois handles the work of eligibility determination and benefits enrollment, and will continue to shape the process in the future. There are also fundamental policy approaches or modifications that the state may wish to consider. With the revamping of the IT systems, expanding access to systems through the Internet, availability of Federal data hubs and modifications to streamline policies and process, Illinois has an opportunity to leverage external stakeholders in communities already working with the clients served by the DHS local offices. These would include:

- **Leveraging the use of Navigators:** Illinois currently uses All Kids Application Agents (AKAA) which are not unlike the Navigators with whom state Exchanges are required to interact. These community based organizations are paid a fee for submitting All Kids applications. Expanding this model of operations, as allowed by the ACA, will provide relief for the State staff. Improved web-based application processing systems should support the Navigator role. Current All Kids Application Agents indicate that the HFS web-based system is important to their work, although improvements are identified (such as the inclusion of a unique tracking number for the application), which will be needed in the IES to reap further benefits. The role of Navigators and All Kids agents is discussed more fully in section 4.2 of the Exchange Strategic Needs Assessment report.

- **Reduction in visits to DHS local offices:** Allow community partners who work with the clients on a regular basis to interact directly with Illinois systems to validate eligibility and submit enrollments. A first step to consider may be allowing AKAAs or other outside entities to perform some of the tasks associated with Medicaid redeterminations.
The broader point is that the current business processes in DHS local offices is unsustainable in the face of major new initiatives and expansions that will put even more stress on that process. Implementation of the ACA requirements should be viewed as an opportunity for improvements to be made in the overall process for eligibility determination and enrollment in Illinois – rather than simply an upgrade of state technology systems and infrastructure.

4.6 Evaluation of Outsourcing Options

The evaluation of options for improvements to technology and business processes that support current eligibility determination and enrollment processes necessarily includes a review of purchasing or procurement strategies. A range of scenarios for one such strategy, outsourcing, is discussed in this section.

Outsourcing can take a variety of forms from minor components to full-blown outsourcing of all functionality within a program or subset of a program. For example, in some states, the CHIP program processing is entirely outsourced. The idea that private entities can mobilize resources quickly and efficiently makes outsourcing attractive to consider. However, these resources will need to be trained on the specific environment and program rules, requiring significant state staff time to onboard and execute. In addition, significant staff resources are necessary to manage an outsourced contract on an ongoing basis. The reality of outsourcing can result in a situation where the government entity is “held hostage” by an entrenched contractor who can raise the costs associated with the outsourced component to exorbitant levels. In fact, there is evidence to support the cost per citizen to be greater with outsourcing than insourcing for some government functions.

In performing the Needs Assessment analysis, outsourcing components of the work were considered and discussed. The tables on the following pages provide potential scenarios for outsourcing. The evaluation of the outsourcing scenarios is described using the 5 domains as introduced earlier in the document.

The four scenarios described and considered are as follows:

A. **Maximum Outsourcing**: This represents all functions along with the technology needed to support eligibility determination and enrollment being outsourced.

B. **Some Outsourcing – business components**: Under this scenario specific business functions and their supporting technology would be provided by a vendor.

C. **Some Outsourcing – technology components**: This scenario retains the actual business processes internally to the State of Illinois with the hiring of technology vendor(s) to provide systems and infrastructure.

D. **Fully Insourced**: All functions and technology retained by the State of Illinois.

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http://das.ohio.gov/LinkClick.aspx?fileticket=9egQw8AF8Bc%3d&tabid=79
Each scenario is followed by a variety of considerations which would need to be addressed by the State of Illinois leadership in further detail during the detailed planning phases of the project. Additional variations on each of these scenarios are also feasible, however, for purposes of this report, these were deemed to be the baseline for consideration. The detailed Business Process analysis effort, which will take place during the detailed planning phase of the IES, will assist in providing further direction on the viability of each of the scenarios.

This report focuses on outsourcing strategies for the state eligibility determination and enrollment functions, including both the technology system development and ongoing business functions. In the Exchange Strategic Needs Assessment report, section 4.3 contains a discussion of procurement strategies focusing on the Exchange. As noted in that section, an evaluation of purchasing strategies could consider eligibility and enrollment functions alongside other necessary systems and functions an Exchange will need to acquire.

This report focuses on the more limited context of eligibility in part to be consistent with the topic detailed in this report, and in part to provide a focused area for analysis. But it is essential, given the wide range of procurement activities and functionality development that will necessarily take place in the larger context of Exchange planning that the state consider these options in a way that is integrated with the strategies, as they develop, of the Exchange.
### OPTION A: MAXIMUM OUTSOURCING

<table>
<thead>
<tr>
<th>Organization</th>
<th>Business Process</th>
<th>Technology Infrastructure</th>
<th>Application Systems</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>State manages vendor(s) through contractual relationship to perform all eligibility determination &amp; enrollment functions.</td>
<td>Vendor staff interacts with clients directly – in person, via phone and the web. Vendor staff refers clients to current DHS local offices for TANF, SNAP case management. DHS local office staff have access to Vendor systems.</td>
<td>Vendor provides and supports hosted technology components: networks, security, call center technology, etc. per service level agreements identified in the contract. Vendor could also provide this service via access to a Cloud service – e.g., call center hosted in the Cloud. Vendor maintains interface with State technology infrastructure.</td>
<td>Vendor staff use Vendor IT systems. Vendor IT staff maintain the systems used to perform IES functions. Rules engine maintained by Vendor. Vendor systems interact with Federal data Hub. Vendor systems interact with State systems as defined in contractual relationship.</td>
<td>In all cases State “owns” the data – but Vendor database is the system of record for eligibility. Data collected via Vendor application systems are interfaced to State as defined in contractual relationship.</td>
</tr>
</tbody>
</table>

### Considerations:
- This model represents complete outsourcing for eligibility determination and enrollment with interaction with DHS local offices for TANF/SNAP case management. Initial up front work would be needed to determine appropriate level of interaction with DHS local offices – protocols for communication, etc.
- This model would reduce current strain on DHS local offices as their work would focus on case management for the TANF/SNAP clients.
- This also allows the potential to expand this to model to handle all current DHS local office functions.
- State would be able to negotiate service level agreements in meeting the needs of the program.
- This model assumes vendors are better positioned to bring additional resources needed at peak times and scale back when not needed.
- This model assumes that the State is positioned to manage a large and comprehensive contract(s) which would be needed.
- A cost model would need to be developed to clearly understand implications of cost / payment structure in order to facilitate initial and future vendor negotiations. It is probable that the costs of this model would not be offset by potential staff reductions, which would mean higher operating costs.
- Vendor IT system Interaction with DHS CIS could be set up as described for Phase 1 for 2013 with the vendor required to move with the State as progress to Phase 2 for full implementation of IES for 2015.
### OPTION B: SOME OUTSOURCING – BUSINESS COMPONENTS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Business Process</th>
<th>Technology Infrastructure</th>
<th>Application Systems</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>State manages vendor(s) through contractual relationship to perform specific eligibility determination &amp; enrollment functions.</td>
<td>Vendor staff interact with clients directly – as dictated by the contract – e.g. Handling calls, but maybe not meeting clients in person</td>
<td>Vendor provides and supports technology components for functions their staff use</td>
<td>Vendor staff use Vendor IT systems</td>
<td>Data collected via Vendor application systems are interfaced to State as defined in contractual relationship.</td>
</tr>
<tr>
<td>Potential functions: Call Center, application agent / Navigator function.</td>
<td>Vendor staff interact with DHS local offices as extension of the DHS local office</td>
<td>Vendor maintains interfaces with State technology infrastructure.</td>
<td>Vendor IT staff maintain systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vendor staff use Vendor IT systems</td>
<td>Vendor IT systems interact with IES and/or DHS AIS/CIS (depending on the outsourced function may not be necessary)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Considerations:
- This model represents outsourcing of some eligibility determination and enrollment business functions. For example, outsourcing of a call center function.
- Vendor has to provide the IT systems for the outsourced components – example, call center software to manage the calls.
- Vendor staff would function as an extension of the DHS local offices and need access to DHS IT system.
- This model has potential to reduce strain on DHS local offices and allows them to focus on key work efforts.
### OPTION C: SOME OUTSOURCING - TECHNOLOGY COMPONENTS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Business Process</th>
<th>Technology Infrastructure</th>
<th>Application Systems</th>
<th>Data</th>
</tr>
</thead>
</table>
| • State manages vendor(s) through contractual relationship to establish and maintain the technology for the IES. This could be a variety of scenarios with some or all IT components outsourced (e.g., hosting platform, software components, etc). | • State staff interact with clients  
 • Vendor staff do not interact with clients | • Vendor provides and supports technology components for State staff use  
 • Vendor maintains interfaces with State technology infrastructure. | • State staff use Vendor supplied IT systems  
 • State staff use IES as supplied and maintained by Vendor  
 • Vendor IT staff maintain systems  
 • Vendor IT staff maintain interaction with the Federal data hub  
 • Vendor IT systems interact with DHS AIS/CIS until such time as replaced | • Data collected via Vendor application systems are interfaced to State as defined in contractual relationship. |

### Considerations:
- This model represents outsourcing for IT components for the IES.
- State staff (DHS local offices) still provides face to face contact; State staff use Vendor IT systems for IES.
- Reduction in strain on DHS local offices would be offset by the overall technology improvements and not directly by the outsourcing.
- State would be able to negotiate service level agreements in meeting the needs of the program.
- This model assumes vendors are better positioned to bring additional technology expertise to build and maintain the IES in a more efficient manner.
- This model assumes that the State is positioned to manage the contractors which would be needed.
- A cost model would need to be developed to clearly understand implications of cost / payment structure in order to facilitate initial and future vendor negotiations.
- Interaction with DHS CIS could be set up as described for Phase 1 for 2013 with the vendor required to move with the State as progress to Phase 2 for full implementation of IES for 2015.
### OPTION D: FULLY INSOURCED

<table>
<thead>
<tr>
<th>Organization</th>
<th>Business Process</th>
<th>Technology Infrastructure</th>
<th>Application Systems</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS local offices are the primary point of client interaction.</td>
<td>State staff interact with clients</td>
<td>Illinois CMS maintains State technology infrastructure</td>
<td>State IT staff (with supplemented contractual workers) maintains IES.</td>
<td>State maintains data.</td>
</tr>
</tbody>
</table>

**Considerations:**
- This model represents current situation and does not directly alleviate any burden on the DHS local offices; burden on local offices would be addressed through technology upgrades.
- Supplemental contractual staff is also currently utilized as State staff augmentation for State IT systems.
- As time goes on and more State IT staff are eligible for retirement and there is potential for limiting hiring which may impact the support of the systems.
- Existing State IT staff will need to be trained in new technologies or additional staff (permanent or contractual) with expertise in new technology will need to be brought on.
5. Recommended Option

5.1 Recommended Implementation Option

Through analysis and refinement of the initial implementation options, a two-phased strategy has been developed. The initial phase and recommended implementation option, targeted for completion in October 2013, is designed to meet the following goals:

- To allow the State to improve the level of service offered to clients, including significant expansion of the Medicaid program and seamless enrollment in the Exchange, while minimizing additional State operating expenditures.
- To be fully compliant with all standards and conditions established by CMS and move toward modularity, adaptive reuse, separate rules engines, and automation of decision-making.
- To establish a technology framework that allows for utilization of best practices and collaboration with other states, the Federal Government, and other entities.
- To maintain the integration of eligibility systems that currently exists among Medicaid, CHIP, SNAP, and TANF while developing an Integrated Eligibility System (IES) and providing a base for the larger Framework Project to unify Health and Human Service applications in Illinois.
- To be feasible to accomplish within the timeframe established for HIX implementation.

To meet these goals, the October 2013 system vision leverages the legacy systems’ existing enrollment, case management, benefits processing, and data synchronization process. It focuses on development of a “Front Door Portal”, implementation of new infrastructure, a new Integrated Eligibility System, and establishing the HIX system.

Ultimately, the State desires to replace the legacy enrollment, case management, and benefits processing functions, as well as the associated technology infrastructure. Those efforts are not feasible in the timeframe established for HIX implementation but are represented as a Phase 2, October 2015 system vision.

The following diagram depicts the major components of the 2013 System Vision at a conceptual level. This diagram is not intended to reflect the technology system architecture, but rather to identify the new and existing application components and the new infrastructure components to support them.
Integrated Eligibility System (IES)  
October, 2013 System Vision

- New Integrated Eligibility System
- New Health Insurance Exchange System
- Implement Rules Engine and SOA Infrastructure
- Incorporate Available Federal Data Hubs
- Leverage Existing Back-End Enrollment, Case Management, Benefit Processing, and Data Synchronization Processes
The major components of the diagram are described below with the underlined font representing the corresponding element in the diagram.

The **HIX/IES “Front Door” Portal** is a common Internet accessible portal through which citizens, agency staff, providers, and navigators apply for benefits and inquire on the status of the application. In this Phase, enough basic information is captured to interact with the systems that support HIX, IES, and legacy functions. Clients can access benefit history and information on future distributions. Staff workload is reduced by having information more readily available to the client.

**IES Rules Engine / Service Oriented Architecture (SOA) Enablement** represents new technology infrastructure to improve modularity and systems integration. The rules engine should express business rules using a consistent, technology-neutral standard format, congruent with the core data elements identified through the National Information Exchange Model (NIEM) process and separate from system application code.

Employment of Web Services Architecture/SOA methodologies for system design and development ensure standards-based interfaces to legacy systems and to link partners and information at both federal and state levels. SOA provides a level of abstraction for user interfaces, rules, application code, and data bases that facilitates seamless integration of system components and allows for multiple technologies to co-exist.

**HIX** represents the application support for the exchange including enrollment, plan management, and benefit processing. Services are provided for individuals, small businesses, and health insurers. Rules for eligibility reside in the rules engine.

**IES**, the Integrated Eligibility System is the core application for intake, verification, and eligibility determination for Medicaid, All Kids, and eventually SNAP and TANF. In addition to coordinating eligibility through the rules engine IES implements a common verification process for HIX and State medical programs. Utilizing the SOA, verifications can be made by accessing legacy and other State systems and Federal Data Hubs for verification of a client's initial eligibility, renewal and change in circumstances for Affordable Care Act health insurance coverage options.

Integration with legacy enrollment, case management and benefit processing is accomplished via a nightly update from the existing client data base and the extraction of a transaction file from the new IES system to feed into the existing **mainframe CDB** system, mimicking the existing process from **Concurrent nodes**.

In summary, this implementation option will provides the State a viable approach to achieving the goals established for the IES Phase of the project. It greatly enhances the State’s opportunity to move toward the vision for 2015 and the planned addition of new full integration enrollment, case management, benefits processing, and centralized client data base components.

The 2015 system vision is depicted below:
5.2 Recommended Business Process Option

In reviewing the options available for implementation of the eligibility determination and enrollment needs of the ACA requirements in Illinois, it is clear that significant changes must occur in the business processes. This is not just about changing the IT systems.

By default, changes to business processes will take place as a result of the implementation of the ACA and the IES – if only by the mere fact of having more up to date technology for the caseworkers to use. What must happen is an in-depth review of the business processes so that the IES is built to fit the needs of the business versus the system driving the processes.

At this juncture, with the increased applications expected with ACA implementation in 2014 (both the Medicaid expansion and higher take up by those already eligible could bring 600,000 new lives into the Medicaid program), the recommended changes to business processes will not likely result in a net gain (i.e., reduction of workload) immediately in the overall impact to the DHS local offices. The primary goal will be to support the expansion without overwhelming the caseworkers.

Illinois, through the effort of implementing ACA requirements, will need to develop a common vision on how business processes will work in the future that can be reflected in the detailed design phase of the IES. Moving from a system that is deeply reliant on manual validation, paper and face-to-face interactions in local offices to a system where the bulk of the eligibility (including redetermination processes) is done via the internet with a robust call center back up will require completely redesigned business processes.

The primary recommendation of this Needs Assessment is to perform the detailed Business Process Modeling analysis that will be necessary for the implementation of the IES. This effort will illuminate processing changes to provide improvements, specifically for the programs impacted by the ACA, as well as those other programs currently addressed through the Illinois integrated system. This is fundamental to ensuring that the business drives the IES system design.

The MITA State Self-Assessment completed for the HFS MMIS Modernization project is a good start. However, the IES business process assessment will be broader than just the MMIS. Based on the MITA Framework, all impacted business processes must be documented in their “As Is” and “To Be” states. Additionally, CMS announced release of MITA 3.0 for 2011 and ongoing Federal funding requirements mandate update to version 3.0 MITA SS-A within 12 months of release. These activities will form the foundation for defining new, more efficient processes in the future.

5.3 Recommended Outsourcing Option

Of the four outsourcing options, which were identified in Section 4.5 above, the scenario that may be the most viable is to consider components of technology outsourcing (Option C). Every state has to implement some version of the ACA requirements and CMS is requiring a condition of interoperability for the technology systems. This means that there is the potential to purchase technology components
developed for other states to leverage (another CMS condition) implementation in Illinois. In order to achieve ACA compliance, Illinois will need to take advantage of every time-saving opportunity available.

The biggest challenge in leveraging technology from other states will be to understand which states are creating which components, and when they would be ready for use by Illinois. If a component is currently under development, there is a risk it may not be fully tested and useable in time for Illinois to meet ACA timeline requirements. Technology components developed for another state may be available as an outsourced component (e.g., hosted at a vendor site) or by transferring to Illinois directly for use in their IES. In this way, transferring a component from another state is outsourcing the initial development rather than the external hosting of the component. In addition, caution is necessary as the process of transferring systems from one state to another is not without challenges as evidenced by other projects which have met with significant issues using this model. However, in keeping with the concepts required by the CMS standards and conditions of reuse, Illinois should keep an open mind to considering transfer of components as a viable option.

There may also be other back-office functions that can be outsourced, potentially in collaboration with the Exchange. The most obvious one would be the ability to have a centralized call center maintained by a vendor that would field calls and web based inquiries from clients. This is a function that is routinely outsourced by government entities. It would provide the benefit of easing the burden on local office staff and allow for more focus on the work of actual case management. This, of course, will require detailed analysis and significant effort to procure the proper vendor services needed to achieve real savings.

Again, it is critical to emphasize how deeply integrated decisions about outsourcing are with broader strategic decisions about Exchange operations. As only one example, the premium aggregation and billing function that the Exchange will provide is a candidate for outsourcing, and commonly, but not necessarily, combined with call center/customer services elements.

Determination of what, if any, functions of the eligibility determination and enrollments processing are viable candidates to outsource will be developed through additional analysis and review. Any options for outsourcing will also need to consider the often lengthy state procurement process which will need to be factored into the planning efforts. The detailed planning efforts, specifically the business process analysis, will provide insight into the opportunities for outsourcing specific functions.
6. Path to Implementation

The effort to implement the 2013 System Vision is large and complex, and success is heavily dependent upon the State’s initiation of a number of activities in the third quarter of 2011 to establish the groundwork for the Design, Development and Implementation (DDI) effort scheduled to begin in May of 2012. While many of these activities can be accomplished concurrently, staffing limitations and procurement issues present significant challenges to the timeline. It is assumed that much of the effort will rely on contractual staff, but the early stages of Phase 1 will require significant State staff commitment.

**Project Initiation:** The first year of the IES implementation is primarily focused on project initiation activities, fulfilling federal requirements, and establishing the necessary technology and organizational support structures. A greater level of detail can be provided for this stage of the project than subsequent stages of IES core development and, finally, migration of the remaining components of the Medicaid, All Kids, SNAP and TANF to the new technology architecture. Completion of the IES core development effort marks the end of Phase 1, the 2013 System Vision. Retiring the legacy systems ends Phase 2 and implements the 2015 system vision.

**Governance:** During the analysis phase of this project, a general outline of the implementation plan was developed and evaluated with the Eligibility System Oversight Group. Establishing the organization and governance structure for the project was a first step and is already underway. At the highest level, an entity to provide project oversight is required and can take a number of forms, including a Program Management Office (PMO) or Board and Steering Committees. This project is very large and contains a number of significantly sized sub-projects. It is also outcome-focused (as opposed to deliverable-focused) and has a number of cross organizational dependencies in addition to the fact that federal guidance for implementation is not fully fleshed out. At a minimum, it is the responsibility of the governance entity to manage these multi-project outcomes and cross organizational facets of IES.
Finally, governance structures need to take account of the Exchange – this is not a simple matter, since
the entity is not yet established in Illinois and the Federal guidance continues to change as it becomes
finalized. It is essential to include parties responsible for Exchange and Exchange planning at all stages of
this effort.

Workgroups: Establishment of a number of workgroups to begin focusing on the immediate planning
and preparation tasks was suggested and is underway. Initial activities identified will require state
expertise and/or oversight to: determine policy impacts and recommend change; business process
analysis of current and future state environments including business rules; design and implement the
technology architecture (hardware, software, security, etc.) required to support the target environment;
and to coordinate efforts to train, educate, and communicate with internal and external customers of
the new system.

MITA State Self-Assessment: Although HFS is in the process of completing the MITA State Self-
Assessment, it is in version 2.0/2.01. Federal guidelines for FFP require states to conduct the MITA SS-A
in version 3.0 within 12 months of release by CMS (currently scheduled for August 2011).

Enterprise Architecture/Technology Planning: The highest priority immediate activities are in two major
areas, technology, which includes implementation of document management systems, and business
process. Without specifying actual products, federal standards dictate an architecture that incorporates
a business rules engine and a web services SOA approach that implies the use of a service bus. At the
current time, neither of these technology infrastructure components exists. This architecture needs to
be planned, products selected, procured and implemented prior to or, at the latest, shortly after the
initiation of IES development. SOA and the rules engine both have their own set of “governance”
requirements as they provide common function across multiple applications and, in this case, across
multiple organizations. To provide optimal streamlining of new business processes, the opportunities
provided by document management and workflow products should be incorporated in a new system
vision. At this time, support for document management exists but the product should be evaluated to
determine functional fit and need for expansion to include workflow support.

Business Process Modeling: To fully support the business process documentation and re-engineering
efforts, a robust business process modeling (BPM) tool should be available before the actual IES
development efforts begin. Ideally, it should have the capability to capture the rules for each business
process to be utilized in the rules engine, inputs and outputs from the process, data requirements and
other attributes. Requirements for computer hardware (servers, desktops, communication) and other
software needs, as well as training, have to be defined, procured and implemented with adequate lead
time for the October 2013 target implementation of IES.

Federal guidance employs industry best practices and embraces a BPM approach to provide a
foundation for beginning detailed requirements. In addition, federal standards dictate that business
rules be identified and documented. In order for the state to be in the best position to rapidly design
and implement IES, business processes and rules for the current state should be captured and used to
develop a common understanding of the future state.
Privacy and Security Risk Assessment: Additional near term efforts in the technology area include a privacy and security risk assessment and a review of any new privacy and security requirements for operating or interoperating with an Exchange.

System Development Life Cycle: There is also a great deal of emphasis on a well defined, industry standard system development lifecycle (SDLC). The state will have to determine the SDLC and development tool kit prior to the DDI vendor start or ensure that the vendor meets federal CMS requirements.

State Subject Matter Expertise: The subject matter expertise to review and capture existing business rules and processes and re-engineering them for the vision of the future state is almost exclusively dependent on State staff. Experienced business analysts and modelers should be utilized to facilitate the process and interface with a software tool for this purpose. With the constraints on State staff, this effort should be initiated as soon as practical given the procurement process which will be needed.

As the implementation strategy and approach is finalized and initiated, state program and management staff will need to define the organizational support requirements and strategies, including but not limited to: IT development and ongoing support of IES and HiX; call center and/or help desk and other client support functions, training, community outreach, enrollment agents and other.

6.1 Timeline

The diagrams on the following pages depict the Federal Timeline for Health Information Exchange and the Illinois Planning timeline. The federal timeline includes the high level dates required by the federal regulations and the diagram that follows conveys the Illinois specific timeline to meet the requirements defined in the federal regulations.
Example Milestones From HIX Establishment Grant Guidance

HIX Integrated Technology

Exchange IT Systems
- Perform Gap Analysis
- Product Feasibility, Viability & Alignment
- SDLC Implementation Plan
- Security Plan & Risk Assessment

Business & Technical Requirements
- Preliminary Detailed Design
- Preliminary Requirements & Architecture
- Final Architecture, Final Requirements, Interim Detailed Design

Design
- Complete Final Development Baseline
- Pre-Open Enrollment Operational Readiness
- Final User Testing
- Production Environment Deployed & Security Accreditation
- Maintenance & Ongoing Business Operations

Eligibility Determination
- Coordination with OASHPs & DOL
- Begin Coordination
- Begin System Development
- Complete System Development
- Begin Eligibility Determinations
- Begin Final User Testing

* Federally Mandated Task or Milestone
= Federally Suggested Task or Milestone
*Other Applicable State Health Sutdies Programs
6.2 Tasks

The following table provides a work breakdown structure (WBS) that details tasks required to initiate the implementation of IES. The WBS ID Number identified in the columns preceding each task indicates the order of tasks in an outline fashion. The Pred. column identifies the WBS of tasks which are predecessors to a specific task.

### IES Phase 1 Work Breakdown Structure

<table>
<thead>
<tr>
<th>WBS ID Number</th>
<th>Pred.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td></td>
<td>Perform initial project planning</td>
</tr>
<tr>
<td>1.1</td>
<td>1.0</td>
<td>Define and implement the necessary governance processes to support IES and HIX planning and implementation</td>
</tr>
<tr>
<td>1.1.1</td>
<td>1.1</td>
<td>Establish Oversight Entities (PMO, Steering Committee, Oversight Board</td>
</tr>
<tr>
<td>1.1.2</td>
<td>1.1.1</td>
<td>Determine core project team composition</td>
</tr>
<tr>
<td>1.1.3</td>
<td>1.1.2</td>
<td>Determine initial workgroups</td>
</tr>
<tr>
<td>1.1.4</td>
<td>1.1.3</td>
<td>Formalize the project and organization through charters</td>
</tr>
<tr>
<td>1.2</td>
<td>1.1</td>
<td>Secure formal commitment or signoff from project sponsors on governance and approach</td>
</tr>
<tr>
<td>1.3</td>
<td>1.1</td>
<td>Develop and document project plans for major project components: policy, business process, technology, CRM (user considerations, internal change management)</td>
</tr>
<tr>
<td>1.3.1</td>
<td>1.3</td>
<td>Document each project description, approach, scope, and staffing and funding strategy</td>
</tr>
<tr>
<td>1.3.2</td>
<td>1.3.1</td>
<td>Determine outsourcing options and document approach</td>
</tr>
<tr>
<td>1.3.3</td>
<td>1.3.2</td>
<td>Ensure each project is aligned and incorporates industry standards to meet CMS standards condition</td>
</tr>
<tr>
<td>1.3.4</td>
<td>1.3.3</td>
<td>Document communication plans</td>
</tr>
<tr>
<td>1.3.5</td>
<td>1.3.4</td>
<td>Create WBS and project schedule</td>
</tr>
<tr>
<td>1.3.6</td>
<td>1.3.5</td>
<td>Document risk and risk management plan</td>
</tr>
<tr>
<td>1.3.7</td>
<td>1.3.6</td>
<td>Document procurement plan</td>
</tr>
<tr>
<td>1.4</td>
<td>1.3</td>
<td>Secure formal commitment or signoff from project sponsors on plans and budget for major project components</td>
</tr>
<tr>
<td>1.4.1</td>
<td>1.4</td>
<td>Secure funding for major project components</td>
</tr>
<tr>
<td>1.5</td>
<td>1.4.1</td>
<td>Initiate procurement for required additional project staffing (supplemental or outsource vendor)</td>
</tr>
<tr>
<td>1.5.1</td>
<td>1.5</td>
<td>Select supplemental staff or outsource vendor(s)</td>
</tr>
<tr>
<td>2.0</td>
<td>1.0</td>
<td>Initiate first tier technology infrastructure projects</td>
</tr>
<tr>
<td>2.1</td>
<td>1.3</td>
<td>Implement rules engine</td>
</tr>
<tr>
<td>2.1.1</td>
<td>2.1</td>
<td>Evaluate rules engine solutions to determine product capabilities and operating requirements to identify any additional hardware needs</td>
</tr>
<tr>
<td>2.1.2</td>
<td>2.1.1</td>
<td>Determine rules engine and supporting hardware procurement strategy</td>
</tr>
</tbody>
</table>
## IES Phase 1 Work Breakdown Structure

<table>
<thead>
<tr>
<th>WBS ID Number</th>
<th>Pred.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.3</td>
<td></td>
<td>Determine rules engine training needs</td>
</tr>
<tr>
<td>2.1.4</td>
<td>1.4.1</td>
<td>Procure rules engine software, training, and additional hardware as needed</td>
</tr>
<tr>
<td>2.1.5</td>
<td></td>
<td>Deploy rules engine software and hardware</td>
</tr>
<tr>
<td>2.1.6</td>
<td></td>
<td>Execute rules engine training plan</td>
</tr>
<tr>
<td>2.1.7</td>
<td></td>
<td>Determine and implement rule engine governance structure</td>
</tr>
<tr>
<td><strong>2.2</strong></td>
<td>1.3</td>
<td>Implement SOA</td>
</tr>
<tr>
<td>2.2.1</td>
<td></td>
<td>Evaluate SOA implementation options to determine product capabilities and identify any additional hardware needs</td>
</tr>
<tr>
<td>2.2.2</td>
<td></td>
<td>Determine SOA products and supporting hardware procurement strategy</td>
</tr>
<tr>
<td>2.2.3</td>
<td></td>
<td>Determine SOA training needs</td>
</tr>
<tr>
<td>2.2.4</td>
<td>1.4.1</td>
<td>Procure SOA supporting software, training, and additional hardware as identified in 2.2.</td>
</tr>
<tr>
<td>2.2.5</td>
<td></td>
<td>Deploy SOA software and hardware</td>
</tr>
<tr>
<td>2.2.6</td>
<td></td>
<td>Execute SOA training plan</td>
</tr>
<tr>
<td>2.2.7</td>
<td></td>
<td>Determine and implement SOA governance structure</td>
</tr>
<tr>
<td><strong>2.3</strong></td>
<td>1.3</td>
<td>Implement privacy and security architecture</td>
</tr>
<tr>
<td>2.3.1</td>
<td></td>
<td>Define and document privacy and security architecture that supports industry and Federal CMS standards.</td>
</tr>
<tr>
<td>2.3.2</td>
<td>2.3</td>
<td>Perform gap analysis</td>
</tr>
<tr>
<td>2.3.3</td>
<td>2.3.2</td>
<td>Plan and implement privacy and security components identified in 2.3.2</td>
</tr>
<tr>
<td><strong>2.4</strong></td>
<td>1.3</td>
<td>Establish application development and/or support environment</td>
</tr>
<tr>
<td>2.4.1</td>
<td></td>
<td>Define and document an industry standard Systems Development Lifecycle methodology according to CMS standards.</td>
</tr>
<tr>
<td>2.4.2</td>
<td></td>
<td>Ensure design standards will create systems that meet the &quot;modularity standard&quot;</td>
</tr>
<tr>
<td>2.4.3</td>
<td></td>
<td>Evaluate tools required to support the target application development environment.</td>
</tr>
<tr>
<td>2.4.4</td>
<td>1.4.1</td>
<td>Initiate application development tool procurement</td>
</tr>
<tr>
<td>2.4.5</td>
<td></td>
<td>Determine application development training needs</td>
</tr>
<tr>
<td>2.4.6</td>
<td>1.4.1</td>
<td>Initiate application development training procurement</td>
</tr>
<tr>
<td><strong>2.5</strong></td>
<td>1.3</td>
<td>Determine hardware and software requirements</td>
</tr>
<tr>
<td>2.5.1</td>
<td></td>
<td>Evaluate the existing technology infrastructure to perform a preliminary determination of hardware and software needs for IES design and operation.</td>
</tr>
<tr>
<td>2.5.2</td>
<td>1.3.2</td>
<td>Determine strategy for procurement of known hardware and software requirements depending on outsourcing option selected</td>
</tr>
<tr>
<td>2.5.3</td>
<td>1.5.1</td>
<td>Determine strategy for procurement of known hardware and software requirements</td>
</tr>
<tr>
<td>2.5.4</td>
<td>1.4.1</td>
<td>Initiate procurement of hardware and software identified in 2.5.2</td>
</tr>
<tr>
<td>1.4.1</td>
<td></td>
<td>Initiate procurement of hardware and software identified in 2.5.2</td>
</tr>
<tr>
<td>WBS ID Number</td>
<td>Pred.</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>3.0</td>
<td></td>
<td>Initiate business process projects</td>
</tr>
<tr>
<td>3.1</td>
<td>1.3</td>
<td>Define and document business processes and rules for IES and existing programs according to CMS standards (BPM tool?), identifying roles and responsibilities for DHS, HFS, DOI, and HIX. As noted by the predecessor task, these activities must occur in the initial project stage.</td>
</tr>
<tr>
<td>3.1.1</td>
<td></td>
<td>Determine method of capture and documentation of business process information.</td>
</tr>
<tr>
<td>3.1.2</td>
<td>1.4.1</td>
<td>Procure and deploy a BPM too if required</td>
</tr>
<tr>
<td>3.1.3</td>
<td></td>
<td>Determine method of capture and documentation of business rules information.</td>
</tr>
<tr>
<td>3.1.4</td>
<td></td>
<td>perform &quot;as is&quot; business process analysis</td>
</tr>
<tr>
<td>3.1.5</td>
<td></td>
<td>perform &quot;to be&quot; business process analysis</td>
</tr>
<tr>
<td>3.1.6</td>
<td></td>
<td>document &quot;to be&quot; rules, and other process information to the greatest degree possible, providing a basis for detail design</td>
</tr>
<tr>
<td>3.2</td>
<td></td>
<td>Ensure MITA condition for Self Assessments, Roadmaps, and Concept of Operations (COO) are met. (Business Process Models addressed in 3.1.)</td>
</tr>
<tr>
<td>3.3</td>
<td></td>
<td>Define requirements, design, and implement organizational support structures for HIX implementation, including call centers, program, and technology support.</td>
</tr>
<tr>
<td>4.0</td>
<td></td>
<td>Initiate CRM projects</td>
</tr>
<tr>
<td>4.1</td>
<td></td>
<td>Define requirements, design, and implement strategies to educate and provide feedback from enrollment agents and supports.</td>
</tr>
<tr>
<td>4.2</td>
<td></td>
<td>Define requirements, design, and implement strategies to educate and train internal staff on new system</td>
</tr>
<tr>
<td>4.3</td>
<td></td>
<td>Perform verification and validation that the system meets the intended purposes</td>
</tr>
<tr>
<td>5.0</td>
<td></td>
<td>Initiate policy projects</td>
</tr>
<tr>
<td>5.1</td>
<td></td>
<td>Identify policies or policy changes that need to be implemented for ACA</td>
</tr>
<tr>
<td>5.2</td>
<td></td>
<td>Coordinate with business process group on rules development</td>
</tr>
<tr>
<td>6.0</td>
<td>1.4.1</td>
<td>Initiate IES core development</td>
</tr>
<tr>
<td>6.1</td>
<td></td>
<td>Define requirements, design, build, and implement Internet portal with common application management, identity, and authentication functions.</td>
</tr>
<tr>
<td>6.2</td>
<td></td>
<td>Define requirements, design, and build a user interface (UI) framework that deploys presentation components that allows different media formats (email, phone, mobile, fax).</td>
</tr>
<tr>
<td>6.3</td>
<td></td>
<td>Verify and incorporate necessary business rules utilizing a rules engine product</td>
</tr>
<tr>
<td>6.4</td>
<td></td>
<td>Define requirements, design, build, and implement the IES verification component with interfaces and modifications to Medicaid and CHIP.</td>
</tr>
<tr>
<td>6.5</td>
<td></td>
<td>Define requirements, design, build, and implement necessary functionality to support HIX.</td>
</tr>
<tr>
<td>7.0</td>
<td></td>
<td>Initiate legacy system migration</td>
</tr>
</tbody>
</table>
6.3 Constraints/Risks

As Illinois moves forward with the IES implementation for ACA and beyond, the constraints and risks that face this effort must be recognized to be effectively addressed. It is important to note that in the past, many of the constraints and risks noted below have hampered the ability of the state to move forward with system modernization efforts, which has resulted in the antiquated set of systems and processes now in use.

This Needs Assessment has been developed with the expectation that, given the critical nature of this project and the overall visibility of this effort, Illinois agencies involved in the project will be effective at working together to minimize potential issues identified below.

The fundamental issue is the need for state resources. The highest vulnerability in terms of constraints and risks – beyond the need for funding which is largely addressed through the availability of federal dollars – can be categorized in terms of Procurement and Staffing.

6.3.1 PROCUREMENT

The IES is the cornerstone of the ACA implementation in Illinois. It will provide for coordination of enrollment, integration of the exchange and Medicaid delivery system, and facilitate Medicaid expansion through transformation of the current Medicaid eligibility system.

Current law requires Illinois to have a functioning state exchange (either state-run or federally-run) by January 1, 2014. Illinois must demonstrate its readiness to operate an exchange in January of 2013. In light of these requirements, this assessment has resulted in the following observations:

- In addition to design, development of IES and implementation of any required modifications to the legacy systems, significant efforts will be required to implement the infrastructure required to support IES and the exchange. This will require a number of procurements for both products and services.

- Aggressive federal deadlines for implementation of the many ACA policies and programs will be difficult to achieve if state procurement processes are not agile enough to meet schedule constraints, unless exceptions are made to the state’s personnel and procurement rules while ensuring accountability and transparency.

Opportunities for “fast track” procurements are limited. The state employs a master contract process for software products that may allow for shortened procurement time frames for some of the infrastructure components needed for IES– assuming the products on the current master contract meet the needs of the IES.

The state’s option for contractually acquiring specialized individual skill sets has been discontinued and now requires an RFP process. This project requires a number of diverse skill sets, many for limited time frames in the initial stages of the project to have a reasonable chance to succeed. For example, the state would greatly benefit in having facilitators to map existing business processes to meet federal conditions.
and standards for funding. There are numerous other initial activities, prior to the actual work on the core IES implementation that would benefit by supplementing current resources with additional skilled staff.

In the absence of having a “rate card” type of service procurement, the state should consider a model that blends a fixed price component with a rate card approach. This would provide the state flexibility beyond the initial stages of a project to issue work orders against the contract utilizing a negotiated rate. The procurement constraints put Illinois at risk for being able to effectively bring on the resources – skilled staff, hardware, software and other support services - which are needed for the IES.

### 6.3.2 STAFFING

Illinois lacks the numbers of staff which are needed to take on the challenges and opportunities afforded through the implementation of the ACA requirements – and most critically the IES. As noted above, procurement activities will be important to addressing those needs. However, the most pressing staffing risk facing Illinois is that of the limitations of the number and time of individuals with a deep understanding and long history within the current environment. These subject matter experts (SMEs) are truly the reason that the current system functions as well as it does at this point in time. This is true for the policy as well as the IT units in both DHS and HFS. The highest vulnerability is therefore not just in terms of sheer numbers of people needed to take on the work of implementing the IES; it is in the ability to have knowledgeable people available.

These SMEs have deep operational and technical knowledge which is critical to making the decisions regarding the best way for modifying the business processes and designing the IES. Illinois – through procurement efforts and supported by federal dollars – can purchase resources to do the heavy lifting associated with the design, development and implementation.

In order to free up the existing SMEs to have the time that will be needed to devote to IES, DHS and HFS should bring in resources to assist with supporting activities – e.g., Project Management Office (PMO) support, business analysts, testers, etc. These would be resources beyond the expertise that will be needed by the implementation vendor(s) to actually develop the system. In addition, to the extent possible, a number of key SMEs should be identified as full time dedicated resources to the IES implementation effort. Although it will be difficult to free them from operational responsibilities (and hiring replacements is not an option), this model would allow for the focus by knowledgeable staff which will be needed to provide day to day leadership for the implementation and cross agency coordination which will be required. In addition, depending on the number of contracts which are actually let for the IES work (including any functions which may be outsourced), state staff will need to devote significant time and effort to properly manage the potentially large and complex vendor contracts. This is an area of consideration which should not be minimized as state staffing resources are identified for the project. Solid vendor management will be required to ensure the IES effort moves forward as planned.
### 6.3.3 OTHER

Other potential areas of risk which must be taken into consideration include the following:

- **Governance:** The IES will require significant coordination across multiple Illinois state agencies. The working relationships, ownership and leadership issues must be clearly identified at the outset of the project. There will be overlap of across-business processes as well as technology decisions. The primary agencies involved (DHS and HFS) have a long history of working together – at times this has been a source of frustration for both parties. The very need to implement ACA requirements has provided an opportunity for significant progress. Ongoing attention through solid governance models is critical.

- **Coordination with other high visibility efforts:** As noted in earlier sections of this report, there are several high visibility efforts underway for Illinois at this point in time – the Illinois Human Services Framework, MMIS revamp, etc. Although these efforts are closely linked to the same ultimate success goals for Illinois human services – streamlining of human services, cost savings, maximizing federal dollars – there is also significant caution that must be noted. The simple fact of having so many high visibility and closely connected projects underway at the same time is a point of risk. These efforts are being guided at the State CIO level. In addition to this type of leadership, it may be prudent to take steps to actually establish an overarching program office. This is a model where a series of inter-related projects are recognized as being related in such a way that dependencies among those are efforts are coordinated through a single point. It does not mean that one entity manages all projects, it does however provide for recognition of the need for coordination and cooperation among the activities.

- **Uncertainty in federal requirements:** The specific details around how certain components of the ACA are to be implemented (e.g., federal data hub) remain outstanding. This presents risk for all states. For Illinois it is especially critical given the number of moving parts, which are going to need to be coordinated on the technical front – as well as from a policy perspective. Close attention to and work with the federal partners will be important. This risk will need to be kept in the line of sight as the design moves forward.

### 6.4 Cost analysis

The process for developing the cost analysis included a review of the requirements for the Illinois IES based on this assessment work. In addition, the cost information for implementation of similar work for ACA eligibility components in other states was also reviewed. Each state has unique characteristics of the existing legacy environment, level of integration with other state programs, technology platforms and complexity of the state’s human services infrastructure. The analysis of other state’s efforts took these differences in consideration to the extent possible with the information available.
**IES Estimated Costs**

<table>
<thead>
<tr>
<th></th>
<th>FF2012</th>
<th>FF2013</th>
<th>FF2014</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td>$3,000,000</td>
<td>$4,500,000</td>
<td>$4,500,000</td>
<td>$12,000,000</td>
</tr>
<tr>
<td><strong>IT Contractual Services</strong></td>
<td>$5,000,000</td>
<td>$10,500,000</td>
<td>$6,000,000</td>
<td>$21,500,000</td>
</tr>
<tr>
<td><strong>Training, Transition, Consumer Support</strong></td>
<td>$500,000</td>
<td>$1,000,000</td>
<td>$2,500,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>$785,000</td>
<td>$785,000</td>
<td>$785,000</td>
<td>$2,355,000</td>
</tr>
<tr>
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<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$3,000,000</td>
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<td><strong>Hardware/Software/Telecom (including Rules, SOA)</strong></td>
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<td>$500,000</td>
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<td>$1,800</td>
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<td>$15,676,800</td>
<td>$50,975,400</td>
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</tbody>
</table>

**ASSUMPTIONS**

- **Personnel** – Assumes approximately 40 total state staff from IT, program areas and management

- **IT Contractual Services** – Includes and technical support, and IES development. If a Custom-Off-The-Shelf (COTS) solution is selected the cost would be transferred to Software

- **Facilities** - Project will need to be housed in a facility with equipment for an estimated total team size of 75

- **External QC/QA (IV&V)** – Project will need Independent Verification and Validation services

- **Hardware/Software/Telecom** - Includes hardware and operating software for IES and HIX, including rules engine, SOA implementation and telecommunications (phone and data) over existing network. No major network expansion

- **Travel** – Travel for all training and support required for implementation

- **Equipment** – Office equipment, cubicles etc to support approximately 75 people

Estimated costs by Federal Fiscal Year quarters for personnel and other costs are summarized in the following table.
## EVE Needs Assessment – Final Report

### Area FF2012 FF2013

<table>
<thead>
<tr>
<th>Area</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
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<td>$3,024,200</td>
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### Area FF14

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<th>Area</th>
<th>Q1</th>
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<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
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<td>$1,125,000</td>
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</table>
7. Appendix

The documents on the following pages consist of work products and information that helped drive the work products throughout the assessment process.

7.1 Glossary

Following are defined terms and acronyms used throughout the EVE Needs Assessment Final Report.

**ACA** – Affordable Care Act – A federal statute to facilitate reform of the private health insurance industry and public health insurance programs.

**AIS** – Automated Intake System – An application that runs on the Concurrent nodes that collects information from client applications for Illinois Medical programs.

**AKAA** – All Kids Application Agents

**BPM** – Business Process Model - A graphical representation of processes within a system so that current processes can be analyzed and improved.

**CDB** – Client Data Base – A collection of data that manages information about cases (households) for DHS.

**CHIP** – Comprehensive Health Insurance Plan – High risk health insurance pool for the State of Illinois

**CIS** – Client Information System – Mainframe system used to run clearances on applicants.

**Clearances** – Verification of applicant data for correctness and eligibility determination.

**CMS** – Federal Centers for Medicare and Medicaid Services

**COTS** – Custom-Off-The-Shelf product – A product that has already been developed and is available for purchase, and sometimes customization.

**DDI** – Design, Development and Implementation

**DHS** – Illinois Department of Human Services - stakeholder for the Needs Assessment project

**DOI** – Illinois Department of Insurance - stakeholder and client for the Needs Assessment project

**EHR** – Electronic Health Record

**Eligibility** – the process of analyzing a person’s identifying information (address, SSN, income, etc.) to determine if the person qualifies for enrollment into an Illinois assistance program.

**Enrollment** – Activating an applicant in an assistance program and making benefits available to him.

**EVE** – Eligibility, Verifications and Enrollment
Exchange – see HIX

FFP – Federal Financial Participation – Monetary support from the federal government for design, development and installation or enhancement of eligibility determination systems that support Health Information Exchange

FPL – Federal Poverty Level

HFS – Illinois Department of Healthcare and Family Services - stakeholder on the Needs Assessment project

HIE – Health Information Exchange

HIT – Health Information Technology

HIX – Health Insurance Exchange - Exchanges will allow individuals and small businesses to compare health plans, get answers to questions, find out if they are eligible for tax credits for private insurance or health programs like the Children’s Health Insurance Program (CHIP), and enroll in a health plan that meets their needs.

HSDB – Human Services Database – The relational database that houses information related to programs supported by the Department of Human Services.

IES – Integrated Eligibility System – Formally Eligibility, Verification and Enrollment, it represents the intended project going forward.

Intake – The process of collecting an applicant’s personal information to submit for verification and eligibility determination.

MITA – Medicaid Information Technology Architecture - A national framework to support improved systems development and health care management for the Medicaid enterprise.

PHI – Personal Health Information – an individual’s private information that is protected under the federal HIPAA Privacy and Security Act.

PMO – Project Management Office – A process employed for project governance to ensure continuity and promote success.

Redeterminations – The process of re-evaluating participants for eligibility and benefit amount.

RIN – Recipient Identification Number

SDLC – System Development Life Cycle – A methodology used to form the framework for planning and controlling the creation of an information system.

SME – Subject Matter Expert
SNAP – Supplemental Nutrition Assistance Program (formerly Food Stamps) – Helps low-income people and families buy the food they need for good health.

SOA – Service Oriented Architecture - A flexible set of design principles used during the phases of systems development and integration. A system based on a SOA will package functionality as a suite of interoperable services that can be used within multiple, separate systems from several business domains.

TANF – Temporary Assistance to Needy Families - provides temporary financial assistance for pregnant women and families with one or more dependent children. TANF provides financial assistance to help pay for food, shelter, utilities, and expenses other than medical.

Verification – Assessment of the validity of applicant information.
7.2 Preliminary Functional Context Diagrams

The following diagrams depict the current state of functionality and a moderate progression from one option to the next, ending with a fully centralized solution.
The application process begins by collecting enough information to verify the identity of the individual, and ensure they satisfy basic authorization requirements such as citizenship and state residency.

Now that identity and authentication data have been collected, it is verified, and an attempt is made to match this information against internal systems to see if they already exist in the system.

Having established basic identity information, additional data is gathered so that a complete eligibility determination can be made.

An initial eligibility determination is made at this time prior to an exhaustive verification of the data. This is done so that certain critical benefits may be provided immediately as necessary.

Further verifications are performed to verify and validate that the initial information gathered from the applicant is legitimate.

Once verification is complete, the applicant record is stored in the system of record. If the applicant is eligible, they are then enrolled into their eligible program(s).

Once enrolled, benefits are then provided to the client in accordance with their eligibility.
EVE – Eligibility Verification, and Enrollment

Eligibility – Fully Centralized

Key:
- Current Functionality
- New Functionality
- Modified Functionality

HIX – TBD
Application/Identification/Authentication

Common Application Management
Identify/Authenticate

Eligibility Coordinator
SNAP Eligibility
TANF Eligibility
State Medical Eligibility
HIX Eligibility

Enroll / System of Record
Benefit Processing
HIX

Verifications
Eligibility/Verification

Staff
Citizen
Provider

Other Programs Eligibility

HIX
Eligibility

Application/Identification/Authentication

HIX
Eligibility

DHS
SNAP
Medicaid
Enroll / System of Record
Benefit Processing

TANF
HIX
CHIP
Enroll / System of Record
Benefit Processing

Federal Data Hubs
Existing Databases

iServe / Master Patient Index
7.3 Domain Classification Document

The options developed for IES were a result of analysis relative to the following domains: Business Processes, Application, Organization, Data, and Technology. Details of the information analyzed within these domains is described in the following document.
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

ELIGIBILITY, VERIFICATION & ENROLLMENT (EVE) NEEDS ASSESSMENT

DRAFT

MAY 23, 2011
TABLE OF CONTENTS

1. EVE Scope of Work ............................................................................................................................ 2
2. Analysis Domains ........................................................................................................................... 2
1. EVE Scope of Work

The Scope of Work for the EVE portion of this project includes assessing and providing options for the Application, Verification and Eligibility processes with a focus on technology strategy for the Health Insurance Exchange, Medical programs such as Medicaid and CHIP, SNAP and TANF.

2. Analysis Domains

CSG will provide options for EVE relative to the domains listed and defined below. Details of information we have collected within these domains are broken down and presented on the following pages.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Processes</td>
<td>A Business Process is a series of tasks that must be repeatedly executed to drive an organization's business functions. This includes Illinois business areas currently involved in the eligibility determination and enrollment processes, the major functions of each business area, and the specific business processes necessary to perform the business functions.</td>
</tr>
<tr>
<td>Application</td>
<td>Application refers to the software programs – application systems - that support Illinois eligibility determination and enrollment. This also includes the interoperability / interfaces for sharing and facilitating information across these systems.</td>
</tr>
<tr>
<td>Organization</td>
<td>Organization involves the structure, and capabilities of the various components of Illinois agencies which are responsible for eligibility determination and enrollment. Organization also addresses the coordination of efforts across each of the other areas.</td>
</tr>
<tr>
<td>Data</td>
<td>Data refers to the information which is needed for the Illinois eligibility verification and enrollment operations which is stored and used by the application systems. This also includes the structures which are used to keep the data.</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology involves the hardware, system software, middleware, and communications components which support the business processes, application systems, data structures and organizational operations to support the overall Illinois eligibility verification and enrollment processes in the context of the EVE.</td>
</tr>
</tbody>
</table>
Business Process Domain

A Business Process is a series of tasks that must be repeatedly executed to drive an organization's business functions. This includes Illinois business areas currently involved in the eligibility determination and enrollment processes, the major functions of each business area, and the specific business processes necessary to perform the business function.

High Level Requirements

The application should be driven by a set of rules that are defined separately and can accommodate change easily.

- Enterprise Rules are those that apply to the entire application and are program agnostic. These rules do not change often and require consensus of all programs to modify.
- Program Specific Rules apply to only one designated program. For example, the income parameters for Medicaid are different than those for TANF.

The system should allow for elimination or significant reduction of paper within the recipient file, including correspondence between the recipient and the State.

An Integrated System will provide a single point of entry for all programs, reducing the number of times a recipient must give his information. After collecting a minimum set of data, the system should determine “potential” eligibility.

- The system should allow for additional programs to be added easily.
- When additional information is needed for program verification, the application should have a pended status.

The Community desires the new system include processing statistics similar to the All Kids Unit’s Access database.

Community groups like the Chicago Public Schools and employer HR departments should be established as application agents with AKAAs.

- The system should include unique application numbers and transparent tracking of applications by application agents
- The system should also allow for case notes to be integrated with the intake system. Agents can access case notes each time a client contacts the state about their application or benefits.

Technology Implications

The system should automate verification as much as possible; this is a crossover with the Application Domain. The system should require the minimum amount of data necessary for verification and flag the required fields.
Decisions/Actions Needed

- Discussions with auditors may be necessary to determine what information will be accepted electronically and what may continue to be required in hard copy to meet the needs of the audit.

- Once presumptive eligibility is determined, how will the system proceed with full verification? Where does the recipient go from here? This prompts discussion around potential interfaces to provide immediate approval or denial and the timeframe in which the interfaces can be established.
Application Domain

Application refers to the software programs — application systems - that support Illinois eligibility determination and enrollment. This also includes the interoperability / interfaces for sharing and facilitating information across these systems.

High Level Requirements

One of the Federal requirements indicates that this system should be a web based application. It also should only require recipients to enter qualifying information into the application once. The system should accommodate unique situations and avoid the back and forth process with applicants. Additionally, the system should provide accurate eligibility determinations without complicated work arounds.

A unique id is a must for this system. Considerations will need to be made to link to current id’s and to prevent duplicates. Additionally, duplicate records currently in the system should be reduced.

Case Id’s will be assigned for family program enrollment. These Ids should also be unique and align with the unique recipient Ids.

In alignment with the Federal requirements, the application should be developed in a manner that makes it accessible across Language, Culture and Disability. The following need to be considered for the application:

- Should the application and Intake screens be available in other languages?
- Are Interpreters necessary and available?
- Should any printed directions be made available in other languages?
- What needs to take place to make the system accessible to the elderly and disabled populations? (This crosses over to outreach)

A process needs to be developed to create and distribute standard reporting for all programs, including Grant reporting and audit reports.

Dashboard Reporting should include the following:

- Track and report newly eligible recipients per ACA
- Federal reporting requirements
- Ad-hoc query tool for trending / forecasting
- Reporting for other grant requirements

Facilitate real time interfaces by developing data agreements for the necessary interfaces.

Decisions

The new system can be developed using any of the following options: develop a new application, expand a system that currently exists (i.e. All Kids), purchase a vendor solution or outsource to a third
If outsourcing is selected, keep in mind that there may be a requirement for government employees to perform eligibility determinations.

Interfaces with other systems will be required for real time verification of new or updated applications. Proposed interfaces include the following:

- Secretary of State
- IL Department of Employment Security
- IL Department of Revenue
- Internal Revenue Service
- IL Department of Human Services
- IL Department of Healthcare and Family Serves

Decide on the data to use for a unique identifier across all programs.

**Technology Implications**

Implications related to the above mentioned interfaces for real time verification include:

- The realistic timeframe for executing and implementing data agreements
- The decision of which Division actually develops the interface (this may equate to time and money on both sides)
- Consider the completeness and accuracy of the data you will receive. The sending system may be missing data fields required for HIX system verification or the sending system may only have aggregate data for quarterly intervals.
- On-going maintenance work hours and funding should also be considered.

Implications related to creating a new unique identifier (as opposed to using the RIN) include maintaining the crosswalk to old id’s. Issues may continue to be caused by duplicate records in the old systems.

**Organization Domain**

Organization involves the structure, and capabilities of the various components of Illinois agencies which are responsible for eligibility determination and enrollment. Organization also addresses the coordination of efforts across each of the other areas.
Decisions

A decision by the group is required for the overall Strategy of this project. CSG proposes developing a two part governance. The first will consist of the EVE Planning Group. This group is the workgroup currently in place that guides the design and development of the details of the Exchange. The Planning Group would take guidance when necessary from the executives involved and inform the executive staff of issues. This group would essentially be a working management team.

The second group would be comprised of executive level staff who can collaborate, make decisions and enforce direction. This group would include Director Hamos and Secretary Saddler. Because this is such a high profile project and it encompasses major changes to both agencies, it seems necessary to have both involved.

A decision will have to be made regarding the location of the system. Where should the technology be housed? Who should maintain it? How will the other programs request changes?

Along with housing and maintenance is a question around funding. For Grant funding, the following should be considered:

- How does the committee decide which grants to pursue?
- How should funding be allocated for a centralized system?
- Requires administration of grant (including reporting)
- How will System Maintenance be funded?

The following grants are options for this project:

- Health Information Exchange Grant
- Ford Grant

In addition to grants are the Federal Match opportunities. This includes 90% match for development and implementation and a 75% maintenance match provided through 2015. Also, consider what funding options are available to other programs.

Evaluate State funding opportunities. Who will apply on behalf of HIX and how will the committee decide which to pursue?

The Organizations involved should consider development of a Centralized Call Center. Because the application process will be moving to the web, and recipients will no longer need to be face to face with an agency staff member, there will be a need for a call center to assist recipients and to troubleshoot the application. A call center will require resources and funding to develop and maintain.
High Level Requirements

The following should be done with respect to Outreach and Training

- Outreach to groups with lower access, including the elderly and disabled
- Communicate changes to the community and provide direction
- Inform community of support services
- Define role of Navigator

Although most applications and client contacts will come through an Internet portal, other options continue to be available, including phone, mail, and Application Agents.

Technology Implications

This section is currently under development.

Data Domain

Data refers to the information that is needed for the Illinois eligibility verification and enrollment operations which is stored and used by the application systems. This also includes the structures which are used to keep the data.

Decisions

- Where will the data be housed? Who will maintain it?
- Redundancy should be considered for power and disc fail over
- Off-site storage of data should be part of the Disaster Recovery plan. This includes fees to one or more third parties.

High Level Requirements

Development of a Disaster Recovery Plan. Include testing the procedures and restoring from backup.

Development of Reports required by State or Federal law or as a system dashboard

Technology Implications

There are a few big items when it comes to implications for system data. First is Storage of the data – where will it be housed and who is overseeing it? Will the database be developed new or should you build out one of the current program’s databases (All Kids, HSDB)? Also, consider the security and privacy of the data.
Technology Domain

Technology involves the hardware, system software, middleware, and communications components which support the business processes, application systems, data structures and organizational operations to support the overall Illinois eligibility verification and enrollment processes in the context of the EVE.

High Level Requirements

1. Operations
   a. Equipment
      1. Servers
      2. Databases
      3. Redundancy (Power and Storage)
      4. Off site backup
      5. Warehouse (for Views and Reporting)
   b. System Administration
      1. Resources
      2. Knowledge / Training
      3. Maintenance processes / Upgrades
      4. Security maintenance (User id assignment / revoke)

2. Web Based
   a. Service Oriented Architecture
   b. Modular / Reusable
   c. Reduce duplication of processes
Decisions

1. Evaluate current systems for possible build out
   a. DHS
      1. Client Systems
      2. Food Stamp Participation Program (FSPP)
      3. Eligibility Interfaces
      4. Interfaces to and from CDB
      5. Interfaces with MMIS
      6. Cornerstone / eCornerstone
      7. Pre-admission screening
   b. HFS
      1. MMIS
         a. Recipient Subsystem
         b. Provider Subsystem
         c. Reference Subsystem
         d. Claims Subsystem
         e. Management and Administrative Reporting System (MARS)
         f. Surveillance Utilization Review System (SURS)
         g. Data Warehouse
         h. Medical Electronic Data Interchange (MEDI)
Federal Requirement Descriptions

The following pages contain requirements as defined by the Federal Government with respect to the Health Insurance Exchange.

HIT Recommendations

- Features a transparent, understandable and easy to use online process that enables consumers to make informed decisions about applying for and managing benefits
- Accommodates the range of user capabilities, languages and access considerations
- Offers seamless integration between private and public insurance
- Connects consumers not only with health coverage, but also other human services such as the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) program
- Provides strong privacy and security protections

Core Data

- Use the National Information Exchange Model (NIEM) guidelines to develop, disseminate and support standards and processes that enable the consistent, efficient and transparent exchange of data elements between programs and States

Verification Interfaces

- Federal agencies required by Section 1411 of the Affordable Care Act to share data with States for verification of a consumer’s initial eligibility, renewal and change in circumstances for Affordable Care Act health insurance coverage options (including Medicaid and CHIP) use a set of standardized Web services that could also support the eligibility determination process in other health and human services programs such as SNAP and TANF.

- Development of a Federal reference software model, implementing standards for obtaining verification of a consumer’s initial eligibility, renewal and change in circumstances information from Federal agencies and States to ensure a consistent, cost-effective and streamlined approach across programs and State delivery systems.

- The initial build of this toolset should include interfaces to the Federal agencies referenced in Recommendation 2.1. In order to ensure comprehensive and timely verification, additional interfaces to Federal, State or other widely-available data sources and tools should be added, including the National Directory of New Hires, the Electronic Verification of Vital Events Record (EVVE) system, State Income and Eligibility Verification (IEVS) systems, Public Assistance Reporting Information System (PARIS) and the U.S. Postal Service Address Standardization API.

Business Rules

- Federal agencies and States should express business rules using a consistent, technology-neutral standard format, congruent with the core data elements identified through the NIEM process. Upon identification of a consistent standard, Federal
agencies and States should clearly and unambiguously express their business rules (outside of the transactional systems).

➢ To allow for the open and collaborative exchange of information and innovation, we recommend the Federal government maintain a repository of business rules needed to administer Affordable Care Act health insurance coverage options (including Medicaid and CHIP), which may include an open source forum for documenting and displaying eligibility, entitlement and enrollment business rules to developers who build systems and the public in standards-based and human-readable formats.

➢ To allow for seamless integration of all health and human services programs, business rules for other health and human services programs such as SNAP and TANF should be added to the repository over time.

**CMS Guidance**

➢ Standards
  o Ensure that any IT system development projects supported through Exchanges, Medicaid or CHIP funding comply to the fullest extent possible with standards in wide use within the U.S. health system and with standards endorsed or adopted by the Secretary of Health and Human Services.

➢ HIPAA
  o HIPAA included administrative simplification provisions that required HHS to adopt national standards for electronic health care transactions and code sets, unique employee and provider identifiers, and protection of security and privacy.

➢ Transaction Standards
  o Section 1104 of the Affordable Care Act requires HHS to adopt a single set of operating rules for each HIPAA transaction. Section 1561 of the Act calls upon the Secretary, in consultation with the HIT Policy Committee and the HIT Standards Committee, to develop interoperable and secure standards and protocols for enrollment. These standards were approved by Secretary Sebelius on September 17th, 2010 and are accessible at:

    One of the chief recommendations from the Committees is that states collaborate using the National Information Exchange Model (NIEM) and unified form to facilitate the enrollment process and common data exchange.

➢ Accessibility
  o State enrollment and eligibility systems are subject to the program accessibility provisions of Section 504 of the Rehabilitation Act, which include an obligation to provide individuals with disabilities an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology. At this time, the Department will consider a recipient’s websites, interactive kiosks, and other information systems addressed by Section 508 Standards as being in compliance with Section 504 if such technologies meet those Standards. We encourage states to follow either the 508 guidelines or guidelines that provider greater accessibility to individuals with disabilities. States may wish to consult the latest Section 508 guidelines issued by the US Access Board or W3C’s Web Content Accessibility Guidelines (WCAG) 2.0 (see [http://www.access-board.gov/sec508/guide/index.htm](http://www.access-board.gov/sec508/guide/index.htm)).
States should also take reasonable steps to provide meaningful access by persons with limited English proficiency.

- **Security and Privacy**
  - The National Institute of Standards and Technology (NIST) has published a series of documents that provide guidance to Chief Information Security Officers (CISO). While the NIST special publications on security are compulsory only at the federal level, the special publications can serve as useful guidance to non-federal agency CISOs in the implementation of a security program aimed at the protection of both individually identifiable information and PHI. See the link to NIST’s special publications: [http://csrc.nist.gov/publications/PubsSPs.html](http://csrc.nist.gov/publications/PubsSPs.html); additionally, a guide to implementing the HIPAA Security Rule can be found at: [http://csrc.nist.gov/publications/PubsFIPS.html](http://csrc.nist.gov/publications/PubsFIPS.html)
  - Finally, information systems containing tax return information must comply with the taxpayer privacy and safeguards requirements of Section 6103 of the Internal Revenue Code

- **System Integration**
  - Provide high-level integration of process flow and information flow with such business partners as navigator, health plans, small businesses, brokers, employers, and others.
  - Apply a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces, and the separation of business rules from core programming, available in both human and machine-readable formats.

- **Service Oriented Architecture**:
  - Employ Web Services Architecture/Service-Oriented Architecture methodologies for system design and development and to ensure standards-based interfaces to link partners and information at both federal and state levels.
  - Employ common authoritative data sources and data exchange services, such as but not limited to, federal and state agencies or other commercial entities.
  - Employ open architecture standards (non-proprietary) for ease of information exchanges.

- **Isolation of Business Rules**
  - Use standards-based business rules and a technology-neutral business rule repository.
  - Enable the business rules to be accessible and adaptable by other states.

- **Security and Privacy**
  - Support the application of appropriate controls to provide security and protection of enrollee and patient privacy.
Efficient and Scalable Architecture
- Leverage the concept of a shared pool of configurable, secure computing resources (e.g., Cloud Computing).

Transparency, Accountability, and Evaluation
- Produce transaction data and reports in support of performance management, public transparency, policy analysis and program evaluation.
- Leverage Commercial Off-the-Shelf business intelligence functionality to support the development of new reports and respond to queries.

System Performance
- Ensure quality, integrity, accuracy, and usefulness of functionality and information.
- Provide timely information transaction processing, including maximizing real-time determinations and decisions.
- Ensure systems are highly available and respond in a timely manner to customer requests.

Exchange Reference Architecture: Foundation Guide

Alignment of the reference Architecture with MITA
- The Exchange Reference Architecture’s framework of Business Architecture, Information Architecture, and Technical Reference Architecture, and the methods for architecture definition, align with and complement the Medicaid Information Technology Architecture (MITA) framework. CMS intends to maintain the alignment between the Exchange Reference Architecture and MITA as the respective architectures evolve.

Core Functions Provided by the Exchange:
- Certification/Recertification/Decertification of Qualified Health Plans
- Customer Service through multiple channels (call center, email, mail, etc.)
- Exchange website
- Plan quality rating
- Navigator program
- Premium calculator
- Eligibility determinations for Exchange participation, premium tax
- Seamless eligibility and enrollment process with Medicaid and other state health subsidy programs

Exchange Reference Architecture Framework
- Provides a mechanism for defining the key business, information, and technical areas that will evolve as the Exchange functionality is built. This document describes the context and relationships between the governance, business, information, and technical areas for the Exchange.
- Supports five critical objectives that enable the Center’s health care mission: (1) secure the Exchange Environments, (2) support integration between Exchange Environments, (3) facilitate a Service-Oriented Architecture that provides access to required business services, (4) build an enterprise technical architecture that anticipates and responds to
the mission and business needs of the states and the federal government, respectively, and (5) provide appropriate and sufficient disaster recovery capability.

**Three Architecture Areas**

**Business Architecture:**

**Information Architecture:**
- The Information Architecture defines the mechanisms for exchanging information between Exchange stakeholders, and for such other functions as information/data management, business intelligence analytical processing, reporting, etc.

**Technical Reference Architecture:**
- Finally, the business service implementation requirements and the information exchange requirements are supported by a Technical Reference Architecture that embodies the security, interoperability, portability, and operational requirements of the business services.
- The recent publication by the Federal CIO, 25 Point Implementation Plan to Reform Federal Information Technology Management, reinforces the shift to a “cloud first” policy for federal IT developments. CMS intends to support a managed services implementation for the federally hosted Exchange Environment. In addition, the TRA supplements will contain guidance defining the use of managed services-based technical environments for Exchange Environments.

**Exchange Life Cycle Governance**
- In an effort to coordinate and ensure optimal execution of investments supporting the Affordable Care Act, CMS will coordinate Exchange investments and their associated projects. By applying CMS governance for Exchange development, CMS intends to optimize investments, facilitate expediency and best practices, and establish effective federal and state collaboration and sharing.
- CMS is proposing life cycle governance around the development, implementation, and maintenance of Exchange solutions. The primary purpose of CMS’ life cycle governance is to provide the mechanisms and tools to:
  - Help prioritize and advance projects quickly and in a coordinated fashion
  - Promote learning, sharing, and reuse
  - Enable managed performance and accountability
  - Exercise standards and best practices Leverage existing solutions, and create common and seamless services where appropriate
  - Provide a framework with common synchronization points across multiple projects
  - Offer flexibility to encourage the use of agile systems development methodology.
- Information Exchange
Information exchange transmission requirements will establish standard formats, transfer protocols, currency of data requirements, and the frequency of transmissions. Adherence to the requirements will provide more consistent and reliable information exchange, enabling interoperability between the Exchanges and the Hub.

States may be dependent on existing information output formats that do not match with the guidance in the CMS Exchange Reference Architecture supplements. Each non-compatible information format will require an interim translation step to convert the data to the compatible formats; customarily, the states would be responsible for this translation.

The National Information Exchange Model is a candidate standard. NIEM supports enterprise-wide information exchange standards and processes. The standards promote a common understanding among federal agencies, states, and other stakeholders of the definitions and formats for each information element. NIEM is built as an eXtensible Markup Language (XML) data model specific to the organizations and information at hand.

**Technical Reference Architecture**
- This section describes initial, key technical concepts for establishing an Exchange Technical Reference Architecture.
- Provide a standardized, secure computing environment for Exchange and Hub systems and services
- Enable efficient and secure interaction with the Exchange Environments by providing standard interfaces for entities that access Exchange and Hub applications, services, and data
- Provide the necessary control to implement policy and requirements changes so CMS can comply with statutes and regulations on a timely basis, and to ensure the operational flexibility to handle processing reconfigurations, e.g., for workload distributions and balancing.

**Data Center Infrastructure**
- The architecture for the Exchange Environments is characterized as a —multi-zone architecture with each zone separated by sufficient security components to support application systems and data security, as shown in Figure 10.
- The first or outermost zone—the —Presentation Zone —supports web servers and can include strictly public data. In addition, data exchange interfaces will usually come through the Presentation Zone to assure adequate security control over the other zones.
- The second or middle zone—the —Application Zone —supports business logic and technology service components for the business services defined in the Business Architecture. As shown in Figure 10, the business process logic, supported by business service logic, and the specific technology components necessary to implement the business services, reside in the Application Zone.
- The third or innermost zone—the —Data Zone —contains the database servers used by the business services.
- A Management Zone provides security, monitoring, and management in support of all other Zones via appropriate security components. The Management Zone may be separated into functional areas to better define the management interfaces and control points to the multi-zone operational environments. Additional network segments
support specialized network services such as Public Key Infrastructure (PKI), Domain Name Services (DNS), etc.
7.4 Final Functional Context Diagrams

Analysis of current Illinois systems and collaboration with key stakeholders resulted in the following Functional Context Diagrams, which comprise the direction for IES.
The application process begins by collecting enough information to verify the identity of the individual, and ensure they satisfy basic authorization requirements such as citizenship and state residency.

Now that identity and authentication data have been collected, it is verified, and an attempt is made to match this information against internal systems to see if they already exist in the system.

Having established basic identity information, additional data is gathered so that a complete eligibility determination can be made.

An initial eligibility determination is made at this time prior to an exhaustive verification of the data. This is done so that certain critical benefits may be provided immediately as necessary.

Further verifications are performed to verify and validate that the initial information gathered from the applicant is legitimate.

Once verification is complete, the applicant record is stored in the system of record. If the applicant is eligible, they are then enrolled into their eligible program(s).

Once enrolled, benefits are then provided to the client in accordance with their eligibility.
Eligibility – Centralized Coordination – Phase 1

Integrated Eligibility System (IES) – TBD
Application/Identification/Authentication

- Common Application Management
- Identify/Verify

Eligibility Coordinator
State Medical Eligibility
HIX Eligibility

Verifications
Eligibility/Verification

- SNAP
- TANF
- State Medical Programs
- BHP

Key:
- New Functionality
- Modified Functionality
- Current Functionality

Existing Databases
Federal Data Hubs

HIX

Enroll/Synchronization
Benfit Processing

iServe/Master Patient Index
Existing Databases

Federal Data Hubs

Updated 6/9/2011
EVE – Eligibility Verification, and Enrollment

Eligibility and Enrollment – Fully Centralized
Phase 3

Integrated Eligibility System (IES) – TBD
Application/Identification/Authentication

Common Application Management
Identify/ Authenticate

Eligibility Coordinator
SNAP Eligibility
TANF Eligibility
State Medical Eligibility
HIX Eligibility

Verifications
Eligibility/Verification

Enroll / System of Record
Universal Benefit Enrollment

Benefit Processing
SNAP
DHS

Benefit Processing
TANF

Benefit Processing
State Medical Programs

Benefit Processing
BHP

HIX

Existing Databases
Federal Data Hubs

iServe/ Master Patient Index

Other Programs Eligibility

Provider
Individual
Staff

Key:

Current Functionality
New Functionality
Modified Functionality

Updated 6/9/2011
7.5 Technology Options Implications Document

The HMA/CSG Team vetted implications to each option presented to stakeholders. Details of those implications are found in the following document.
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1. Analysis Domains ....................................................................................................................................... 3
2. Implications of Options.............................................................................................................................. 3
Appendix A – Functional Context Diagrams ................................................................................................... 12
1. Analysis Domains

CSG will provide options for EVE relative to the domains listed and defined below.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Processes</td>
<td>A Business Process is a series of tasks that must be repeatedly executed to drive an organization's business functions. This includes Illinois business areas currently involved in the eligibility determination and enrollment processes, the major functions of each business area, and the specific business processes necessary to perform the business functions.</td>
</tr>
<tr>
<td>Application</td>
<td>Application refers to the software programs – application systems - that support Illinois eligibility determination and enrollment. This also includes the interoperability / interfaces for sharing and facilitating information across these systems.</td>
</tr>
<tr>
<td>Organization</td>
<td>Organization involves the structure, and capabilities of the various components of Illinois agencies which are responsible for eligibility determination and enrollment. Organization also addresses the coordination of efforts across each of the other areas.</td>
</tr>
<tr>
<td>Data</td>
<td>Data refers to the information which is needed for the Illinois eligibility verification and enrollment operations which is stored and used by the application systems. This also includes the structures which are used to keep the data.</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology involves the hardware, system software, middleware, and communications components which support the business processes, application systems, data structures and organizational operations to support the overall Illinois eligibility verification and enrollment processes in the context of the EVE.</td>
</tr>
</tbody>
</table>

2. Implications of Options

Technology options were presented via diagrams at the previous EVE Planning Group meeting. The group agreed to continue moving forward with three of the options which we have labeled: Centralized Eligibility Coordination, Fully Centralized Eligibility, and Fully Centralized Eligibility and Enrollment. Implications to each of these options are defined relative to the domains above and detailed on the following pages.
<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Option 1 – Centralized Eligibility Coordination</th>
<th>Option 2 – Fully Centralized Eligibility</th>
<th>Option 3 – Fully Centralized Eligibility and Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Domain Impacts</td>
<td>The IES system provides a newly developed, common Internet accessible portal through which individuals, agency staff, and providers/navigators can apply for benefits.</td>
<td>The IES system provides identity confirmation/authentication processing.</td>
<td>The IES system provides state/status of the application in the process.</td>
</tr>
<tr>
<td></td>
<td>The iServe system is completed and integrated with any Master Patient Index initiatives under way at OHIT. The IES system integrates with iServe during the application process to help verify the applicant’s identity.</td>
<td></td>
<td>The IES system is integrated with any additional Federal Data Hubs that are available to help verify the applicant’s identity.</td>
</tr>
<tr>
<td>The IES system determines eligibility in an integrated fashion covering several programs</td>
<td>A rules engine product is employed as part of the solution to externalize eligibility rules from application code.</td>
<td>An “Eligibility Coordinator” (“EC”) component is introduced to perform integrated eligibility between programs living inside and outside of the rules engine product.</td>
<td></td>
</tr>
<tr>
<td>Medicaid and CHIP eligibility rules in EC and verification in IES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TANF &amp; SNAP eligibility is determined by legacy systems and interfaced to IES</td>
<td>TANF &amp; SNAP eligibility are determined using the new rules engine.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The legacy TANF and SNAP eligibility components are modified to integrate with the EC</td>
<td>Legacy systems no longer determine eligibility for TANF and SNAP.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system verifies eligibility data provided by the applicant and TANF and SNAP verifications are performed by the legacy system. Interfaced with EC.</td>
<td></td>
<td>TANF and SNAP verifications are performed by the new IES system.</td>
<td></td>
</tr>
<tr>
<td>Characteristic</td>
<td>Option 1 – Centralized Eligibility Coordination</td>
<td>Option 2 – Fully Centralized Eligibility</td>
<td>Option 3 – Fully Centralized Eligibility and Enrollment</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>----------------------------------------</td>
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</tr>
<tr>
<td>may delegate verification to other systems</td>
<td>TANF and SNAP verification processes are modified to include Federal Data Hubs</td>
<td>SNAP and TANF verifications make use of Federal Data Hubs and existing agency databases</td>
<td></td>
</tr>
<tr>
<td>The IES system provides the system of record for enrollments of people in programs or interfaces with other enrollment systems.</td>
<td>The IES system provides enrollment/system of record for new IES programs.</td>
<td></td>
<td>IES is Medicaid and CHIP enrollment and system of record.</td>
</tr>
<tr>
<td></td>
<td>Medicaid and Chip enrollment and system of record remains in the legacy system. Interfaces are developed to IES for application, authentication, and verification functions.</td>
<td>SNAP and TANF enrollment and system of record remains in the legacy systems. Interfaces are developed to IES for application, authentication, and verification functions.</td>
<td>IES is SNAP and TANF enrollment and system of record.</td>
</tr>
<tr>
<td></td>
<td>SNAP and TANF enrollment and system of record remains in the legacy systems.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Guidance and Regulatory</td>
<td>CMS standards require identification and description of all interfaces and develop an exposed API for use by data services hubs for reporting of data, verifications, and data exchange.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Illinois Health Insurance Exchange Planning Project
#### Technical Options Implications

**DRAFT** 6/14/2011

**Implications by Option**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Option 1 – Centralized Eligibility Coordination</th>
<th>Option 2 – Fully Centralized Eligibility</th>
<th>Option 3 – Fully Centralized Eligibility and Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance.</td>
<td>Development must meet industry standards including HIPAA, the Rehabilitation Act’s section 508, and those defined under section 1104 of the ACA.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CMS guidance suggests application adherence to SOA principles through an architecture that separates the presentation (User Interface), business logic (Service Layer), and Data Layer.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Domain Impacts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system provides individuals the ability to apply for benefits</td>
<td>IES relational DBMS supports the Application management, Identification, and Authentication functions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system determines eligibility in an integrated fashion covering several programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system verifies eligibility data provided by the applicant and may delegate verification to other systems</td>
<td>The IES relational data base supports verification function for IES and State Medical programs utilizing existing data bases and Federal data hub.</td>
<td>SNAP and TANF legacy data base supports verification and is modified to utilized existing data bases and Federal data hubs.</td>
<td>The IES relational data base supports verification function for SNAP and TANF utilizing existing data bases and Federal data hub.</td>
</tr>
<tr>
<td>Use of Federal data hub for verification and IES development will require NIEM compliance (legacy or new). The State is responsible for any translations that need to be performed.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Implications by Option

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Option 1 – Centralized Eligibility Coordination</th>
<th>Option 2 – Fully Centralized Eligibility</th>
<th>Option 3 – Fully Centralized Eligibility and Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The IES system provides the system of record for enrollments of people in programs or interfaces with other enrollment systems.</td>
<td>IES relational data base supports IES enrollments and is IES system of record.</td>
<td>SNAP and TANF data delivered to legacy system of record via interface to IES.</td>
<td>SNAP and TANF enrollment data and system of record in IES.</td>
</tr>
<tr>
<td></td>
<td>SNAP and TANF legacy data bases contain enrollment data and is system of record.</td>
<td>SNAP and TANF data delivered to legacy system of record via interface to IES.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medicaid and CHIP Data delivered to legacy system of record via interface to IES.</td>
<td>Medicaid and CHIP Data delivered to legacy system of record via interface to IES.</td>
<td>Medicaid and CHIP Data delivered to legacy system of record via interface to IES.</td>
</tr>
<tr>
<td>The IES system provides benefits processing and tracking or delegates that process to other benefit processing systems.</td>
<td>Data supporting benefit processing remains in legacy system data bases.</td>
<td>Data supporting benefit processing remains in legacy system data bases and interfaces to universal enrollment system of record.</td>
<td></td>
</tr>
<tr>
<td>Federal Guidance and Regulatory Compliance.</td>
<td>NEIM compliant relational data base designed and developed to support the following IES functions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Application/Identification/Authentication</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• IES enrollment and benefit processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Eligibility coordination &amp; IES Eligibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Process Domain Impacts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Characteristic</td>
<td>Option 1 – Centralized Eligibility Coordination</td>
<td>Option 2 – Fully Centralized Eligibility</td>
<td>Option 3 – Fully Centralized Eligibility and Enrollment</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The IES system provides individuals the ability to apply for benefits</td>
<td>The IES system provides for a single point of entry for identifying information</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The IES system is bilingual to provide for greater self service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system determines eligibility in an integrated fashion covering several programs</td>
<td></td>
<td>The IES system provides for more automated determinations, reducing the workload of intake and case workers.</td>
<td></td>
</tr>
<tr>
<td>The IES system verifies eligibility data provided by the applicant and may delegate verification to other systems</td>
<td>SNAP and TANF require hard copies of information for eligibility determination</td>
<td>Hard copies of eligibility data for Medicaid and CHIP not required.</td>
<td>IES provides more automated redeterminations, reducing the workload for caseworkers.</td>
</tr>
<tr>
<td></td>
<td>Hard copies of eligibility data for Medicaid and CHIP not required.</td>
<td>IES provides more automated redeterminations, reducing the workload for caseworkers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clients are immediately notified of approval or denial of Medical benefits, reducing the workload of intake and case workers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system provides the system of record for enrollments of people in programs or interfaces with other enrollment systems</td>
<td>The IES system will be the single point of access for lookups</td>
<td>The IES system will be the single point of access for lookups</td>
<td>Staff maximizes efficiency utilizing a single system of record and consistent view of client data.</td>
</tr>
<tr>
<td></td>
<td>Analysis and trending can be performed via the IES system</td>
<td>Analysis and trending can be performed via the IES system</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff efficiency somewhat compromised by loose or non-integration of client data.</td>
<td>Staff efficiency somewhat compromised by loose or non-integration of client data.</td>
<td>Staff maximizes efficiency utilizing a single system of record and consistent view of client data.</td>
</tr>
<tr>
<td></td>
<td>The recipient file will be electronic except for required paper documents</td>
<td>The recipient file will be electronic except for required paper documents</td>
<td></td>
</tr>
</tbody>
</table>
### Implications by Option

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Option 1 – Centralized Eligibility Coordination</th>
<th>Option 2 – Fully Centralized Eligibility</th>
<th>Option 3 – Fully Centralized Eligibility and Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The IES system provides benefits processing and tracking or delegates that process to other benefit processing systems.</td>
<td>Clients can access benefit history and future distributions through the IES. By moving information closer to the client, staff workload is reduced.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Guidance and Regulatory Compliance.</td>
<td>CMS standards require business rules to be defined and documented in a consistent, technology neutral standard across agencies and submitted to an HHS repository. Business process engineering and re-engineering will be required to develop requirements to support the Exchange and ACA.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Domain Impacts</td>
<td>Centralized coordination of applications and initial eligibility determination will require extensive community outreach and training. IES supports a Call Center to assist clients. Additional capacity may be required and call center support structure needs to be determined, i.e. all programs supported at first level, state and IES programs separated, or DHS, HFS, and IES programs separated. Structure of DHS local offices may be adjusted to accommodate changes in mix of individual support which is needed – as more is done online different focus for caseworkers</td>
<td></td>
<td>Governance will be established to guide and maintain this process. Federal funding will require cost allocation methodologies be consistently and accurately employed. Business rules will need to be clearly articulated by the organization to develop and maintain the system</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Option 1 – Centralized Eligibility Coordination</td>
<td>Option 2 – Fully Centralized Eligibility</td>
<td>Option 3 – Fully Centralized Eligibility and Enrollment</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>The IES system verifies eligibility data provided by the applicant and may delegate verification to other systems</td>
<td>The State will establish data sharing agreements with external entities for access to data for verification.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system provides the system of record for enrollments of people in programs or interfaces with other enrollment systems.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IES system provides benefits processing and tracking or delegates that process to other benefit processing systems.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Illinois Health Insurance Exchange Planning Project
### Technical Options Implications

**Implications by Option**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Option 1 – Centralized Eligibility Coordination</th>
<th>Option 2 – Fully Centralized Eligibility</th>
<th>Option 3 – Fully Centralized Eligibility and Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Guidance and Regulatory Compliance.</td>
<td>The state must meet the MITA condition for Self Assessments, Roadmaps, Concept of Operations (COO) and Business Process Models (BPM)</td>
<td>A common governance framework needs to be established to define, document and manage business processes and rules within and between agencies and the Exchange.</td>
<td>CMS standards require a well documented Systems Development Lifecycle methodology be employed and industry standards incorporated in requirements, development, and testing phases.</td>
</tr>
<tr>
<td>Technology Domain Impacts</td>
<td>CMS standards dictate that rules engine product is utilized for determining eligibility for all medical programs. Online application process may require a greater degree of privacy and security protections than currently exists.</td>
<td>CMS standards require the use of web services and Service-Oriented Architecture methodologies for system design and development. Federal guidance suggests a multi-zone security architecture for exchange data center environments that may not exist today. The requirement to document and provide business rules in human and machine readable, standards compliant format suggests the need for a business process modeling (BPM) tool.</td>
<td></td>
</tr>
<tr>
<td>Other Considerations</td>
<td>Current levels of experience with multi-modal (email, text, mobile devices, telephone, etc.) technology implementations is limited. An electronic document management capability should be evaluated for productivity improvements in common application management and eligibility coordination. Existing technology infrastructure (network, servers, workstations) needs to be reviewed for capability to support new functionality and/or additional workload.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix A – Functional Context Diagrams

Option 1 – Centralized Eligibility Coordination
Option 2 – Fully Centralized Eligibility

[Diagram showing the flow of processes for Eligibility – Fully Centralized – Option 2, including steps for Eligibility Coordinator, SNAP Eligibility, TANF Eligibility, State Medical Eligibility, and HIX Eligibility.]

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Option 3 – Fully Centralized Eligibility and Enrollment
7.6 Technology Options Risks and Benefits

The HMA/CSG Team presented the key stakeholders with risks and benefits relative to each option discussed at the EVE Planning Meetings. These risks and benefits are detailed below.
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

ELIGIBILITY, VERIFICATION & ENROLLMENT (EVE) NEEDS ASSESSMENT PROJECT

TECHNOLOGY OPTIONS BENEFITS AND RISKS

JUNE 9, 2011
## 1. Benefit and Risk Analysis

Below are processes required to implement the Illinois Health Benefit Exchange. They are defined for the three technology options discussed at the EVE Planning Meeting and also indicate whether each is a Pro or Con.

<table>
<thead>
<tr>
<th></th>
<th>Pro’s</th>
<th>Con’s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meets minimum federal Standards and Conditions.</td>
<td>Establishes technical infrastructure for target solution.</td>
<td>Does not go as far as program staff would like in integration of eligibility and enrollment.</td>
</tr>
<tr>
<td>Establishes technical infrastructure for target solution.</td>
<td>Can mostly be funded by 90% match (i.e. minimum effort on SNAP &amp; TANF)</td>
<td>Potential loss of efficiency for Case Workers having to enter into two systems (SNAP/TANF and Medical)</td>
</tr>
<tr>
<td>Can mostly be funded by 90% match (i.e. minimum effort on SNAP &amp; TANF)</td>
<td>Common application management/new front end will provide some productivity improvement and paper reduction.</td>
<td>The goal of integration between SNAP/TANF and Medical programs may be compromised</td>
</tr>
<tr>
<td>Common application management/new front end will provide some productivity improvement and paper reduction.</td>
<td>Initiates/Establishes outreach efforts.</td>
<td>SNAP/TANF will continue to utilize legacy system. The increase in people served may be taxing on the legacy systems.</td>
</tr>
<tr>
<td>Initiates/Establishes outreach efforts.</td>
<td>Defines business processes and rules.</td>
<td></td>
</tr>
<tr>
<td>Defines business processes and rules.</td>
<td>Establishes program and technical support structure.</td>
<td></td>
</tr>
<tr>
<td>Establishes program and technical support structure.</td>
<td>If encounter fatal problem with solution, can fall back to legacy until resolved</td>
<td></td>
</tr>
<tr>
<td><strong>Option 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meets minimum federal Standards and Conditions.</td>
<td>Establishes technical infrastructure for target solution.</td>
<td>Some increased risk of implementing business rules across all programs simultaneously.</td>
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<td>Establishes technical infrastructure for target solution.</td>
<td>Can mostly be funded by 90% match (i.e. minimum effort on SNAP &amp; TANF)</td>
<td>Additional education of clients to use the web app and reduce confusion of not having to appear at a local office</td>
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<td>Can mostly be funded by 90% match (i.e. minimum effort on SNAP &amp; TANF)</td>
<td>Common application management/new front end will provide some productivity improvement and paper reduction.</td>
<td>Still requires a 2 stage interface effort.</td>
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<td>Common application management/new front end will provide some productivity improvement and paper reduction.</td>
<td>Initiates/Establishes outreach efforts.</td>
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<td>Initiates/Establishes outreach efforts.</td>
<td>Defines business processes and rules.</td>
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<td>Defines business processes and rules.</td>
<td>Establishes program and technical support structure.</td>
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<td>Establishes program and technical support structure.</td>
<td>Better integration of eligibility and verification functions.</td>
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<td>Better integration of eligibility and verification functions.</td>
<td>Additional opportunity for productivity improvement and paper reduction.</td>
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<td>Additional opportunity for productivity improvement and paper reduction.</td>
<td>Eliminates 1 phase of SNAP and TANF interim interface efforts.</td>
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<td>SNAP and TANF remain integrated with Medical</td>
<td>Option 3</td>
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<td>All of Option 2 Pro’s, plus:</td>
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<td>Provides maximum integration of eligibility, verification, and enrollment.</td>
<td>May be difficult to achieve in the time frame established.</td>
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<td>Can retire some legacy systems</td>
<td>If part of a multi phased approach, may not be achieved</td>
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7.7 IES High Level Roadmap

Below is a roadmap containing a high level view for implementation of the IES.
### IES High Level Roadmap

**DRAFT**

#### IES Planning and Preparation

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<tr>
<td>1 Fed. Req. Program Activities</td>
<td>Document business processes, meet MITA condition</td>
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<td>2 Fed. Req. Technology Activities</td>
<td>Document Interfaces and SDLC, establish SOA</td>
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<td>3 State Program Staff Activities</td>
<td>Establish Governance, Organization support, training, community outreach</td>
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<td>4 State Technology Staff Activities</td>
<td>Review hardware/software req., establish app dev environment, and establish privacy and security model.</td>
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<td>5</td>
<td>Develop internet portal, application management, identify and authorization function</td>
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<td>6</td>
<td>Develop business rules for State Medical, HIX, and EC function, modify Medicaid and CHIP</td>
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<td>7</td>
<td>Develop verification process for Medicaid, CHIP and HIX</td>
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<td>8</td>
<td>Develop enrollment and benefit processing for HIX</td>
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#### Legacy EVE Migration

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<td>9</td>
<td>Migrate Medicaid &amp; Chip enrollment to IES</td>
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<td>10</td>
<td>Migrate SNAP &amp; TANF eligibility, verification, and enrollment to IES</td>
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**Notes:**

1. Procurement is not factored in to all activity.
2. Concurrent activity is assumed within the lines.
7.8 IES Detailed Roadmap

Below is a more detailed view of the implementation roadmap for the IES.
### IES High Level Roadmap

**DRAFT**

**Notes:**
1. Procurement is not factored in to all activity.
2. Concurrent activity is assumed.
3. CMS Standard refers to CMS Enhanced Funding Requirements: Seven Conditions and Standards.

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<td>1.2 Fulfill MITA Condition</td>
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<td>2.2 Define SDLC</td>
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<td>2.3 Establish SOA</td>
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<td>3.2 Establish Organizational Support</td>
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<td>3.3 Establish Training and Community Outreach</td>
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| 1. Procurement is not factored in to all activity.
2. Concurrent activity is assumed.
3. CMS Standard refers to CMS Enhanced Funding Requirements: Seven Conditions and Standards.
7.9 Advocates Feedback (MAC Meeting report)

Advocates of the Health Benefit Exchange were invited to provide suggestions for functionality important to each of their roles that they would like to see within the new system. Their comments are included in the following document.
To: Jane Longo, Senior Consultant, Health Management Associates
From: Kathy Chan, Illinois Maternal and Child Health Coalition and Andrea Kovach, Sargent Shriver National Center on Poverty Law
Re: Comments from Interested Parties on Illinois’ Design of EVE
Date: June 20, 2011 (revised)

Chicago Public Schools
Diane Fager
Email: dfager@cps.k12.il.us

Need for a Unique Identifier to obtain disposition data for initial applications, renewals and dual applications- To address the needs of organizations like the Chicago Public Schools in which Medicaid/CHIP and SNAP outreach, application assistance, and case management are not considered “core mission”, it is critical to obtain disposition data to ensure on-going funding from both CPS and federal funders. Currently, as an AKAA, CPS has a unique identifier that provides disposition data on what is commonly referred in IDHS local offices as “medical only” applications. More specifically, the medical only cases that have the AKAA identifier are only for initial applications only. Eligibility for medical only applications is determined in Springfield but if they are Medicaid/AllKids Assist cases, they are managed in IDHS’ local area offices.

Currently, the medical only applications sent to the AllKids Office in Springfield represent less than 25% of the outreach, application assistance and case management that CPS’ dedicated enrollment unit, the Children and Family Benefits Unit, conducts. From a performance management perspective, 25% is not considered substantial enough to assure CPS’ management that the revenue invested warrants the investment of local education dollars thus putting CPS’ enrollment work continually at risk. To address these concerns, CPS recommends that the same unique identifier be also utilized for Medicaid/CHIP applications that are included in what IDHS refers to as “dual applications” for SNAP and Medicaid/CHIP. The largest percentage of our Medicaid/CHIP applications are in dual applications, thus this change would go a long ways toward ensuring sustainable funding.

CPS anticipates a dramatic increase in the demand for application assistance and case management when the new Medicaid legislation is implemented in July 2011. Thus we recommend that the unique identifier be utilized on applications/forms for renewals as well.

Currently, disposition data for applications that CPS assists with are mailed in hard copies to CPS and the family. Long term, it would be preferable to have a portal to access the status of the application which can be viewed by client and AKAA/CPS including number to call if there is an erroneous status such as application submitted without documents especially if CPS has a record of submitting application and documents. In the short run, in order to reduce redundant data entry, CPS recommends that electronic copies are sent on a monthly basis. We have received the data this way from HFS on a case by case basis but regular reports are preferred for supervisory purposes as well as accountability. In this past year, we worked with Jim Monk of HFS who provided us a year’s worth of data electronically. The information provided included:
1. When the application was submitted
2. Name and address of the applicant
3. Name, date of birth and ethnicity of each child/youth in case
4. Whether application was submitted
5. Whether it was submitted completely
6. Whether it was approved
7. If approved, the case number
8. Whether it was denied and if so, for what reason(s)
9. Renewal date
10. Whether it is for medical only or a dual application with SNAP

In the long run, CPS would like administrative rights to run these reports from EVE ourselves or to be provided them on a regular basis. This is critical to maintain CPS’ OMB support, disposition data for grants as well as supervision of staff.

Similar information on SNAP- Since many social service groups and CPS do both SNAP and Medicaid, we would like the same information for SNAP as listed above. It is critical that EVE includes in the client portal status information such as whether the case was registered in the office that it will be managed. Also to enhance the effectiveness of our Liaisons/enrollment agents, we would like information on SNAP applications including whether they are active. This functionality exists in Mede which helps liaisons know whether there cases were approved or not. We would like the same for SNAP. Having access to SNAP status data would also assist us in knowing how long a case took to be approved or denied which is helpful in regard to case management.

**Paper less system with electronic Case Notes** Currently CPS uses a web based application, HelpEngen, to do our applications for Medicaid/CHIP and SNAP. TransEngen is designed so that families can apply for multiple public benefits with redundancy in regard to information requested. We look forward to an alignment of Medicaid/CHIP with SNAP so that the process of actually getting these benefits is also “one stop shopping”. To the degree that EVE can collaborate on the development of business practices to align these benefits systems, the value of EVE will enhance accordingly.

Currently, the applications in TransEngen are identical to the applications used in Illinois for Medicaid/CHIP and SNAP both dual applications and **Medical Only** and **SNAP Only**. Currently CPS enters the Medical Only/AllKids applications on Mede as well.

Electronic Case Notes- HelpEngen also has electronic case notes which CPS’ enrollment workers are mandated to use. There is also functionality in TransEngen for the supervisor to view all of the case notes. Supervisors and Liaisons can run reports on all cases that are “pending” in regard to getting needed documents from clients which heightens productivity and efficiency. CPS recommends that EVE also have the capacity for **electronic case notes**. We have found that Liaisons are more productive and outcomes are significantly better with the utilization of electronic case notes. It is also an excellent tool for performance management/supervision and report creation which is another requirement of CPS management. We would recommend that required documents are also housed in the electronic case notes for purposes of case management.
**Paperless System** - We look forward to EVE eliminating the need for any verification documents by interfaces with other state and federal databases. Since CPS has a 40% mobility rate, the probability of documents especially original copies getting lost is high. Also the reduction of required paper documents reduces the time of the enrollment agents in providing application assistance.

Also until there is an open portal or the Framework, we want the capacity to scan documents. We have started scanning applications and documents to IDHS local offices which have resulted in increased productivity and more positive disposition rates since the likelihood of the documents getting lost on fax machines is eliminated. Also the date of the receipt of the emailed application including scanned documents provides us with a time stamp when the application is received which is important as well.

**Heartland Alliance for Human Needs & Human Rights, supported by the Chicago Alliance to End Homelessness**
Kimberly Drew  
Phone: 312-870-4948  
Email: KDrew@heartlandalliance.org

**Goal: Ensure that Illinois’ vulnerable individuals and families who are uninsured are able to enroll in health coverage via the EVE system**

Certain populations in Illinois – such as people experiencing homelessness, those living with mental illness or addictions, and individuals with limited English proficiency – face unique barriers to accessing health care and are vulnerable to being left out of new systems of care that are being developed. Given the needs of these vulnerable populations, targeted strategies are needed to ensure that those who are uninsured are enrolled in health coverage and receive health care.

**Leverage community-based resources to reach vulnerable populations**
Many uninsured individuals and those who will be newly-eligible under the ACA are connected to other programs and services in their community. Tapping into the existing provider network to assist with outreach and enrollment will be key to reaching uninsured individuals and families.

§ Provide general information and training on insurance options and the EVE system to community-based organizations currently serving vulnerable populations.
§ Establish formal partnerships with community-based organizations serving vulnerable populations to assist with outreach to those who are uninsured, including but not limited to health centers and community clinics, human service providers, local government.
§ Apply lessons learned from previous outreach and enrollment efforts. Illinois has had past success with relying on community-based partners to assist with enrollment through the KidCare Application Agent process and a similar effort should be applied in the EVE context.
§ Provide funding for community-based Application Agents to assist vulnerable populations with enrollment.

**Ensure access for applicants with limited access to technology**
For individuals who lack the resources or computer skills to access the EVE system and navigate technology on their own, they will need assistance enrolling in health coverage.

§ Partner with community-based organizations to assist people through the process of applying for coverage via the EVE system, including collection and submission of related documentation.

§ Create a 1-800 hotline where applicants can receive assistance with their applications via the EVE system and inquire about related questions.

Ensure access for applicants with limited English proficiency

Language barriers are a contributing factor in health care disparities among racial and ethnic minorities and create challenges among immigrants and minorities in obtaining health insurance. Particular attention should be paid to assessing and meeting the needs of limited-English proficient applicants and recipients to ensure culturally competent service delivery.

§ Develop the full array of information and application functions of the EVE system in the primary languages spoken by the largest non-English speaking populations in Illinois, including but not limited to Spanish, Polish, Chinese, Tagalog, Korean, Arabic, Russian, and Gujarati.

§ Create additional mechanisms for language assistance to applicants whose primary language is other than those directly available via the EVE system. Consult with experts in cultural competency and language assistance to advise on this development.

§ Partner with community-based organizations that can provide language assistance via trained or qualified interpreters to assist with outreach to limited-English populations and assist with applications.

Align EVE with existing state electronic application systems

The investment and development of the EVE system presents an opportunity for Illinois to build the capacity of its technology to better serve individuals and families that utilize the state’s income support programs. Integrating and aligning existing electronic systems would reduce redundancy, streamline systems and processes, and ease the application process for both state workers and applicants.

§ Incorporate applications for medical coverage/IHFS programs with other income support programs within the EVE system, including IDHS programs such as Food Stamps/SNAP, Child Care and Temporary Assistance for Needy Families.

§ Institute electronic cross-matches with available data sources, including, IDES employment and wages, Social Security Administration, County birth records (where available).

§ Create electronic accounts for applicants to allow applicants and community-based partners to monitor the status of applications electronically.

§ Automatically pre-populating fields on applications with information already in the state system to minimize manual re-entry of data.

§ Create a centralized state database where verification of required documents is maintained. Allow other state agencies to access the centralized database to verify eligibility when an applicant submits for other income support/state programs and services.

Heartland Alliance for Human Needs and Human Rights is a service-based human rights organization focused on investments in and solutions for the most vulnerable men, women and children in our society. Through a network of dozens of direct service programs throughout the Chicago-area, Heartland Alliance provides housing, health care, human services and human rights protections to over 200,000 people each year. We are a health care provider to vulnerable populations, operating a federally qualified health center (FQHC) and several health clinics and school based health centers in Chicago as well as community-based treatment and prevention programs. We provide primary health care, oral health care, and a full range of mental health and addictions treatment services and prevention programs to people who are homeless, as well as to refugees and immigrants and other vulnerable populations.
Access Community Health Network (ACCESS)
Linda Shapiro
Phone: 773-562-4599
Email: linda.shapiro@accesscommunityhealth.net

Thank you for the opportunity to submit comments regarding the new Eligibility, Verification and Enrollment (EVE) System. Access Community Health Network (ACCESS) is the largest network of federally qualified health centers in Illinois, serving 200,000 low-income adults and children at 50 locations across Chicago and suburban Cook and DuPage counties. The EVE system will play a significant role in the efficient intake and verification process for our Medicaid and AllKids beneficiaries who comprise over 50% of our patient base, as well as for the business and labor communities.

With the implementation of the Affordable Care Act and the state’s Health Insurance Exchange on the horizon, ACCESS feels it vitality important that the EVE system incorporates a comprehensive, in-depth outreach, enrollment and intake process for private sector companies. Research has shown that minimum-wage earning, working families are an untapped market for AllKids eligibility coverage. Typically, entry-level employees in the service industries cannot afford the out-of-pocket costs associated with benefit coverage for themselves or their families – leaving many employees and their dependents uninsured. A little over a decade ago, ACCESS piloted a research project funded by the Chicago Community Trust to increase enrollment in Illinois’ SCHIP KidCare program by reaching out to private sector companies. Our findings showed that the “workplace is a potential but insufficiently exploited research for outreach and enrollment activities.”[1] Inviting employers to become engaged in the enrollment process helped remove the multiple barriers (bureaucracy, shame, lack of follow-through) for working families interested in public benefits enrollment. We found that retail, hotel, manufacturing and restaurant industries typically employ thousands of low-wage earners, many of whom have dependent children eligible for AllKids coverage.

Best practices extracted from the study demonstrated that if engaged, informed and empowered, human resource departments in private companies would reach out to employees to determine eligibility and assist them in the public benefits application process.

- HR representatives were more apt to disseminate information to employees if they were well informed and trained in eligible public benefits for employees such as Medicaid and AllKids
- Employees preferred one-on-one, private discussions with HR staff knowledgeable about public insurance benefits instead of public sign up spaces
- Corporate buy-in could be increased by engaging trade associations and corporate leadership

As you work to develop a more streamlined and efficient system for 2014, we hope that the new EVE delivery system will incorporate these recommendations to ensure that eligible Illinois residents have full access to care.

Thank you for your kind consideration.

Access Community Health Network

[1] Working With Employers To Increase SCHIP Enrollment, Health Affairs, January/February 2001
1). One of the things that should be added in the On-Line All Kids application is E-mail if they have one. This would give HFS the opportunity to remind the applicant it’s time to renew their determination form & reminder that if they changed address that they should get in contact with their case worker and provide phone number with address of local office.

2). Also it would be very helpful if they add Caseload in Medi System since it only provides Case ID #.

3). It would also be very helpful for the applicant if the time/date of interview/location of local office would be provided when applying On-line for food stamps/medical benefits/cash assistance once an appointment is scheduled. This would save paper.

4). Have a link for Illinois Healthy Women, All Kids, Family care.

---

**South-East Asia Center**

Fanny Wong  
Phone: 773-989-6927  
Email: seac5120@yahoo.com

We have some comments for your considerations:

1) Standardize income/assets/immigration status eligibility requirement across the board for all health insurance programs to avoid confusion among intake workers and potential applicants.

2) If the online application process is set up for individuals and families to apply on their own, it should be made available in Chinese, Vietnamese and Korean, if not all other languages, in addition to Spanish, so that limited-English speakers other than Spanish speakers have equal opportunity to apply.

3) Application/enrollment process is just part of the process in accessing health care, case management is as crucial, especially complications of a case could occur after initial enrollment. Currently, it is impossible to get a hold of IDHS case workers when Medicaid clients encounter problems with their case. There is a need for a better system of case management.

4) More efforts need to be spent on outreaching to populations who do not speak English or Spanish and tend to be isolated from getting updated information on available services and benefits.

5) We hope the new system will not only allow us to enter a new application, but also send "add" request, the request for medical benefits for another family member(s) using form HFS 243C. Right now, it takes a long time for the request to be processed and the Case Workers claim that the forms were not received.
6) Include Approved Representative Consent Form (IL444-2998) on the new EVE system

7) Use the new EVE system to check application status instead of calling DHS offices or the benefit hotlines.

Thanks.

**Family Service in McHenry County, submitted through the Association of Community Mental Health Authorities of IL**
Cherryl Ramirez (ACMHAI) Corinna Small (Family Service in McHenry County)
Phone: 217-369-5168 Phone: 815-385-6400 Ext: 2497
Email: acmhai@shout.net

“We have not had much experience with the online application. Most of our calls for All Kids have been falling into one of two categories: either they ask a few questions & complete the application themselves, or they don’t come in for their scheduled appointment. From my use of the application last year, it seems fine as it is—it is fairly straightforward.”

**Alivio Medical Center**
Diane Montañez
Phone: 312-513-1010
Email: dmontanez@aliviomedicalcenter.org

“I suggest that AKAAs continue to play a role in the application process. I also suggest consideration be given to expanding the roles of the AKAAs. The demands on DHS continue to increase, but not the resources (as of today). AKAAs save the state money and they free local offices by carrying some of the workloads.”

**Illinois Coalition for Immigrant and Refugee Rights’ IL Department of Human Services grantees:**
Jenn Kons (ICIRR)
Phone: 312-332-7360 ext. 225
Email: jkons@icirr.org

*What works with All Kids applications and should be replicated/What needs to be improved upon for the new EVE system:*
Online Application Comments

1. Information entered into online application is automatically saved; information is pre-populated, but applicants should be given the option or opportunity to change this if it is incorrect or misrepresents their situation; applicants or application agents can save the application, leave it, and come back to it later.

2. Submitted applications that are incomplete are sent back with missing information highlighted, so the applicant or application agent knows what information still needs to be gathered and submitted.

3. The online application form can be emailed or USPS mailed to the applicant if they don’t have access to a printer.

4. All Kids applications available in Spanish, applicant or agent can request an application in Spanish and have it sent to the applicant. There are not applications in many languages like Arabic and Cambodian, and there needs to be. The case worker or applicant should be able to easily request a non-English language and have the EVE information and enrollment application and subsequent information generated in the specified language.

5. There should be some form of electronic signature - attendees suggested an electronic pen or having something similar to what is used on income tax forms, i.e. checking a box and entering verification data, such as the last four digits of a social security number, to serve as the “signature.”

6. There needs to be collaboration and some sort of easy-to-use information-sharing system with other public programs like SNAP and TANF.

7. Applicant should be able to access their information that has been gathered by DHS, HFS or other entities and make corrections or changes.

Issue of Seamlessness

There needs to be seamlessness for clients with changing incomes and moving from program to program.

1. Need to make sure there is no gap in coverage or access to primary care provider for people who move back and forth between Medicaid and private insurance. Since some of these individuals will be unfamiliar with private insurance or insurance in general, it will be important to provide additional education or support to make sure they don’t miss the opportunity to move to the correct coverage option.

2. Clients should be sent a notice in advance of their new plan year/renewal process and have some sort of 60 day “grace period” to work out any issues regarding income changes and/or changes with insurers or primary care providers.

The EVE system needs to be heavily user-tested to work out kinks and to ensure that the questions make sense from the user side and for various scenarios, particularly those that involve families with mixed-immigration status.
1. **Conduct a needs assessment analysis on Illinois’ newly eligible population:** Illinois should conduct a needs assessment analysis in order to better understand this newly eligible population. The assessment would focus on their healthcare needs, access issues, and their connection to existing public services and programs. It should include data collection from FQHCs, clinics, emergency rooms, as well as mental health and substance abuse treatment providers and direct service providers who work with the homeless. Moreover, Illinois should conduct focus groups with Medicaid enrollees and consumers in order to assess areas for improvement in the current Medicaid system, including enrollment and access to benefits, and to inform the design of EVE.

2. **HFS should conduct outreach to the newly eligible population about upcoming access to coverage:** The newly eligible population is here now, and many of them are currently getting medical care—although that care may be disorganized, chaotic, and, alas, expensive. Because the federal government will bear nearly all of the costs of covering this population through Medicaid, there is a clear incentive for Illinois to enroll them rather than pay for their care through uncompensated care subsidies should they seek care while uninsured (particularly since uncompensated care subsidies will decline under the ACA). Outreach to them about the impending Medicaid coverage as soon as possible in their usual health care settings will increase the likelihood of their enrollment in the program once it becomes available in the future. Community based organizations will and should be heavily relied upon to enroll Medicaid eligible individuals. The newly eligible population will most likely not have been connected to many public benefit programs in the past (decreasing the likelihood of the existence of data to pre-populate enrollment forms). There will be an increased need for community-based staff (navigators under ACA) to enroll individuals. It is important for Illinois to have an outreach strategy in place and ready to be implemented as soon as possible.

3. **Consider extending the use of the enrollment information for application in other programs.** A large number of currently uninsured individuals who will become eligible for health subsidy programs under the ACA are already known to other public programs and supports such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), unemployment insurance, etc. In some instances, these individuals have authorized data sharing with Medicaid for purposes of outreach and enrollment, or the forms could be easily modified to obtain that consent. With such authorization, data and findings held by these other programs could be used to identify eligible individuals and begin the eligibility and enrollment process along the lines taken by Louisiana and Alabama in their Express Lane Eligibility (ELE) efforts. The Exchange represents an unprecedented opportunity to inform visitors of their potential eligibility for other benefits or credits, such as SNAP, WIC, TANF, child care subsidies, or the Earned Income Tax Credit, and to simplify the process of applying and documenting eligibility for these income and work supports. The Exchange would be the most efficient portal for enrollment in these other programs. Illinois should take all steps possible to ensure that the
systems being developed to promote access to health insurance can also be used to provide access to the full range of public income- and work-support programs.

4. **Create mechanism within EVE to ensure success of overlapping plans and provider networks with Medicaid:** Given that low-income people will likely move often between Medicaid and the exchange, Illinois needs to build coordination between the delivery systems used by the exchange and Medicaid, including offering the same plans and creating overlapping provider networks. In this way, individuals will be able to keep their same medical home as they move between Medicaid and private insurance. Also in that vein, we recommend creating a mechanism in EVE to identify and report when this coordination is not working to help prevent individuals from falling through the cracks.

5. **Implement data-matching to the greatest extent possible in eligibility enrollment, renewal, and outreach processes:** ACA requires that the Exchange and Medicaid participate in “data matching,” in which preexisting federal data is used to establish, verify and update eligibility. In light of ACA’s emphasis on more cost-effective eligibility determinations that place greater reliance on electronically available data, there must be a self-service, online process that allows people to provide basic information, have a real-time determination of eligibility (in most cases), and be able to provide individuals with navigation aids to help them make choices relevant to the category of coverage for which they are eligible (e.g. chose a private plan for those eligible, pick a Medicaid medical home if eligible for Medicaid, etc.). To minimize the burden of the enrollment and renewal processes on families and agencies, Medicaid/HFS should query other programs and/or verification systems for updated eligibility data to pre-populate a renewal form, which could then be mailed to the enrollee or made available online. It would be preferred if the enrollment system could automatically perform that data query and automate the renewal process at the end of an enrollment period, or when the individual renews eligibility for another public program and submits updated information. This ex parte, automated renewal process is currently being used by numerous state Medicaid programs. The renewal process should de-emphasize or eliminate reliance on paper-based communications with beneficiaries and unnecessary forms and paperwork. Many ACA provisions (other than those specific to Medicaid) also seek to move states in the direction of paperless verification and electronic enrollment. And states’ receipt of federal funds for health information technology investments may be made contingent on compliance with these requirements. Thus, Illinois’ Medicaid program needs to ensure that it is in step with these provisions and ensure that it does not rely on paper verification for enrollment and annual renewals.

   Toward this end, Illinois should institute a Medicaid Internet portal now that will be later integrated into the Exchange. Illinois should allow its Medicaid enrollees to be able to verify and update their files at any time, including changing their medical home status, via an Internet online portal. If the enrollee updates their account with income information that then changes their status as to whether or how much cost-sharing they are responsible for, these changes should be immediately reflected and processed in their file. The updated income information can also serve to extend the enrollees Medicaid coverage for another full year. Oklahoma’s Medicaid program provides many of these on-line services to its enrollees. Stabilizing enrollment will stabilize or decrease administrative costs. When eligible people fall off the program it adds to the administrative costs. Moreover, states that have instituted these changes report that they have successfully lowered administrative costs and increased client satisfaction.
Getting administrative renewal in place now will provide a much easier transition for enrolling and retaining the newly eligible population.

6. **Illinois must ensure that services are provided to meet the needs of individuals with limited English proficiency (LEP).** Illinois must ensure that EVE and the exchange generate notices and other vital documents to LEP individuals in their native languages. The EVE system must also successfully facilitate communication with the linguistic and cultural minorities of our diverse state. Lawfully-residing immigrants in the United states for five years can enroll in the Medicaid program. Almost one of every seven Illinoisans is an immigrant and our state is also home to more than 558,000 adults who do not speak English well. Illinois must ensure the policies, procedures and practices of the EVE system support rather than hinder these populations from being able to successfully navigate and enroll in Medicaid on the Exchange.

7. **Ensure transparency and inclusiveness during EVE design and implementation:** Illinois should establish an advisory committee that includes consumer representatives and advocates for low-income persons and consult these stakeholders on the issues that affect the health of vulnerable Illinoisans. Illinois should make transparent decisions and use the public process for significant policy changes that affect large numbers of low-income Illinoisans. This would ensure an opportunity for public comment on key policy issues affecting vulnerable populations.

8. **HFS should re-brand the Medicaid program to reduce any stigma in order to have the best chance of success in enrolling the highest number of eligible people:** The Medicaid program should be re-branded to reduce any stigma of it being a public health insurance program in order to have the best chance of success in enrolling the highest number of eligible people (and thereby yielding the highest possible federal match). Aside from employer-sponsored insurance, Medicaid is the largest source of health insurance in our state as in our country. Thus, Medicaid should be promoted in outreach and other communication materials as a coverage pathway to comprehensive, free health insurance for everyone who happens to be low-income (in contrast to a public welfare program), in the same way that Medicare is the health insurance program for persons who happen to be aged 65 or older.

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**Illinois Maternal and Child Health Coalition**

Kathy Chan  
Phone: 312-491-8161  
Email: kchan@ilmaternal.org

Since 1988, the Illinois Maternal and Child Health Coalition (IMCHC) has been fighting to improve the health of all women, babies, young people and families in Illinois. As an organization, we bridge the gap between policy makers and those affected by their decisions. Through education, we empower people to make healthy choices that strengthen families and communities.

IMCHC focuses on expanding access to health coverage, promoting effective health care delivery models, reducing service disparities and encouraging quality improvement in pivotal policy areas.
that contribute to improved health outcomes for women, children and families in Chicago and throughout the state of Illinois.

From 1999-2006, IMCHC provided leadership to Covering Kids and Families Illinois, a statewide coalition that coordinated enrollment of eligible children and adults into public coverage programs and advocated for program simplifications that made the enrollment and re-enrollment process less complicated and less cumbersome for applicants.

These experiences have helped shape our comments regarding the development of the Enrollment, Verification, and Eligibility (EVE) system as part of the implementation of the Affordable Care Act in Illinois.

First, IMCHC strongly recommends that HFS maintain the network of All Kids Application Agents (AKAAs) as EVE is developed and implemented. Illinois’ AKAAs network is renowned by Medicaid, CHIP and public health insurance experts nationwide, as AKAAs are trusted community partners that have an impressively high first-time application submission approval rate (in the high 80s, low-mid 90s).

While most AKAAs are based in health care provider settings, the ethnic-specific organizations play an especially important role. In addition to having staff fluent in Chinese, Korean, Japanese, Arabic, Polish, Urdu and many other languages, these organizations also provide culturally appropriate care and assistance with the application process, particularly for families that may not be accustomed to applying for public benefit programs or have mixed immigration status.

Currently, HFS pays a $50 stipend to AKAAs who help submit an application that successfully results in an enrolled child into All Kids, if that application is complete and there is no need for HFS to follow up with the applicant. HFS should consider expanding this role once the health insurance exchange is up and running for Illinois residents. One suggestion is for AKAAs to serve as the “navigators” as outlined in the Affordable Care Act. AKAAs could receive additional training to help families access and understand their public and private insurance options as they access the exchange. If the role of AKAAs were expanded, we would also suggest increasing the stipend they receive for their services.

Second, EVE should be built in a manner that allows for seamless movement from Medicaid to private insurance coverage (likely with premium credits) and vice versa. Data collected by other state agencies and other sources should be used to help verify information to decrease the burden on the consumer.

Finally, a strong and responsive customer service system needs to in place to address questions and concerns. A toll-free number has shown to be effective with the All Kids and FamilyCare programs. Consumers should be able to check on the status of the application by phone or online. Additionally, systems need to be developed that allow consumers to report changes in their household status or contact information. IMCHC has heard numerous complaints from AKAAs and consumers about the difficulties they face when attempting to do this if their case is housed at a local IDHS office.
Currently, over 2.6 million children, parents, pregnant women and adults are enrolled in comprehensive medical programs administered by the Illinois Department of Healthcare and Family Services. In 2014, it is expected that 700,000 adults will be newly eligible for Medicaid. Having a seamless, functioning system that draws verification information from other programs will be critical to the success of enrollment. This is particularly important for the individuals and families who will move from Medicaid or other forms of public coverage to private insurance that partially covered by federal subsidies accessed through the Exchange.

IMCHC strongly encourages that EVE and the exchange work to establish a culture that encourages the continued enrollment of eligible individuals and families for tax credits or coverage in public programs, rather than working to find consumers ineligible for coverage or subsidies or holding individuals unreasonably responsible for continually having to work at maintaining coverage.

Thank you for the opportunity to submit these comments.
7.10 Interview Summary

Following is a schedule of key stakeholders who were interviewed as part of the Discovery process.
**Illinois Health Benefit Exchange – CSG Government Solutions Client Interview List**

<table>
<thead>
<tr>
<th>Name</th>
<th>Interview Date</th>
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<tbody>
<tr>
<td>Anita Corey / Jim Howard</td>
<td>5/6/11</td>
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<tr>
<td>Jacqui Ellinger</td>
<td>5/6/11</td>
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<tr>
<td>Theresa Eagleson</td>
<td>5/6/11</td>
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<tr>
<td>Michelle Saddler</td>
<td>5/9/11</td>
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<td>Julie Hamos</td>
<td>5/9/11</td>
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<td>Susan Locke</td>
<td>5/9/11</td>
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<tr>
<td>Sharon Dyer-Nelson, Jennifer Hrycyna, and Nathan Mason</td>
<td>5/9/11</td>
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<tr>
<td>Doug Kasamis</td>
<td>5/20/11</td>
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<tr>
<td>Ivan Handler</td>
<td>5/20/11</td>
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<tr>
<td>Sean Vinck</td>
<td>5/5/11</td>
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</tbody>
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### 7.11 Summary of Federal Requirements and Guidance

Below is a summary of the federal guidelines and requirements that helped drive the options developed for IES.
Requirement Description

HIT Recommendations

Features a transparent, understandable and easy to use online process that enables consumers to make informed decisions about applying for and managing benefits;

Accommodates the range of user capabilities, languages and access considerations

Offers seamless integration between private and public insurance options

Connects consumers not only with health coverage, but also other human services such as the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) program

Provides strong privacy and security protections

Core Data

Use the National Information Exchange Model (NIEM) guidelines to develop, disseminate and support standards and processes that enable the consistent, efficient and transparent exchange of data elements between programs and States

Verification Interfaces

Federal agencies required by Section 1411 of the Affordable Care Act to share data with States for verification of a consumer’s initial eligibility, renewal and change in circumstances for Affordable Care Act health insurance coverage options (including Medicaid and CHIP) use a set of standardized Web services that could also support the eligibility determination process in other health and human services programs such as SNAP and TANF.

Development of a Federal reference software model, implementing standards for obtaining verification of a consumer’s initial eligibility, renewal and change in circumstances information from Federal agencies and States to ensure a consistent, cost-effective and streamlined approach across programs and State delivery systems.

The initial build of this toolset should include interfaces to the Federal agencies referenced in Recommendation 2.1. In order to ensure comprehensive and timely verification, additional interfaces to Federal, State or other widely-available data sources and tools should be added, including the National Directory of New Hires, the Electronic Verification of Vital Events Record (EVVE) system, State Income and Eligibility Verification (IEVS) systems, Public Assistance Reporting Information System (PARIS) and the U.S. Postal Service Address Standardization API.

Business Rules

Federal agencies and States should express business rules using a consistent, technology-neutral standard format, congruent with the core data elements identified through the NIEM process. Upon identification of a consistent standard, Federal agencies and States should clearly and unambiguously express their business rules (outside of the transactional systems).
To allow for the open and collaborative exchange of information and innovation, we recommend the Federal government maintain a repository of business rules needed to administer Affordable Care Act health insurance coverage options (including Medicaid and CHIP), which may include an open source forum for documenting and displaying eligibility, entitlement and enrollment business rules to developers who build systems and the public in standards-based and human-readable formats.

To allow for seamless integration of all health and human services programs, business rules for other health and human services programs such as SNAP and TANF should be added to the repository over time.

**CMS Guidance (Guidance for Exchange of Medicaid Information Technology Systems)**

**Technical Architecture**

**Standards**

Ensure that any IT system development projects supported through Exchanges, Medicaid or CHIP funding comply to the fullest extent possible with standards in wide use within the U.S. health system and with standards endorsed or adopted by the Secretary of Health and Human Services.

**HIPAA**

HIPAA included administrative simplification provisions that required HHS to adopt national standards for electronic health care transactions and code sets, unique employee and provider identifiers, and protection of security and privacy.

**Additional Transaction Standards**

Section 1104 of the Affordable Care Act requires HHS to adopt a single set of operating rules for each HIPAA transaction. Section 1561 of the Act calls upon the Secretary, in consultation with the HIT Policy Committee and the HIT Standards Committee, to develop interoperable and secure standards and protocols for enrollment. These standards were approved by Secretary Sebelius on September 17th, 2010 and are accessible at: http://healthit.hhs.gov/portal/server.pt?open=512&mode=2&objID=3161. One of the chief recommendations from the Committees is that states collaborate using the National Information Exchange Model (NIEM) and unified form to facilitate the enrollment process and common data exchange.

**Accessibility**
State enrollment and eligibility systems are subject to the program accessibility provisions of Section 504 of the Rehabilitation Act, which include an obligation to provide individuals with disabilities an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology. At this time, the Department will consider a recipient's websites, interactive kiosks, and other information systems addressed by Section 508 Standards as being in compliance with Section 504 if such technologies meet those Standards. We encourage states to follow either the 508 guidelines or guidelines that provider greater accessibility to individuals with disabilities. States may wish to consult the latest Section 508 guidelines issued by the US Access Board or W3C's Web Content Accessibility Guidelines (WCAG) 2.0 (see http://www.access-board.gov/sec508/guide/index.htm).

States should also take reasonable steps to provide meaningful access by persons with limited English proficiency.

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**Security And Privacy**

The National Institute of Standards and Technology (NIST) has published a series of documents that provide guidance to Chief Information Security Officers (CISO). While the NIST special publications on security are compulsory only at the federal level, the special publications can serve as useful guidance to non-federal agency CISOs in the implementation of a security program aimed at the protection of both individually identifiable information and PHI. See the link to NIST’s special publications: http://csrc.nist.gov/publications/PubsSPs.html; additionally, a guide to implementing the HIPAA Security Rule can be found at: http://csrc.nist.gov/publications/PubsFIPS.html

Finally, information systems containing tax return information must comply with the tax taxpayer privacy and safeguards requirements of Section 6103 of the Internal Revenue Code.

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**System Integration**

Provide high-level integration of process flow and information flow with such business partners as navigator, health plans, small businesses, brokers, employers, and others.

Apply a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces, and the separation of business rules from core programming, available in both human and machine-readable formats.

Ensure seamless coordination between Medicaid, CHIP and the Exchange, and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services.

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**Service Oriented Architecture**

Employ Web Services Architecture/Service-Oriented Architecture methodologies for system design and development and to ensure standards-based interfaces to link partners and information at both federal and state levels.

Employ common authoritative data sources and data exchange services, such as but not limited to, federal and state agencies or other commercial entities.
Employ open architecture standards (non-proprietary) for ease of information exchanges.

**Isolation of Business Rules**

Use standards-based business rules and a technology-neutral business rule repository.

Enable the business rules to be accessible and adaptable by other states.

**Security and Privacy**

Support the application of appropriate controls to provide security and protection of enrollee and patient privacy.

**Efficient and Scalable Architecture**

Leverage the concept of a shared pool of configurable, secure computing resources (e.g., Cloud Computing).

**Transparency, Accountability, and Evaluation**

Produce transaction data and reports in support of performance management, public transparency, policy analysis and program evaluation.

Leverage Commercial Off-the-Shelf business intelligence functionality to support the development of new reports and respond to queries.

**System Performance**

Ensure quality, integrity, accuracy, and usefulness of functionality and information.

Provide timely information transaction processing, including maximizing real-time determinations and decisions.

Ensure systems are highly available and respond in a timely manner to customer requests.

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**Exchange Reference Architecture: Foundation Guide**

**Alignment of the reference Architecture with MITA**

The Exchange Reference Architecture’s framework of Business Architecture, Information Architecture, and Technical Reference Architecture, and the methods for architecture definition, align with and complement the Medicaid Information Technology Architecture (MITA) framework. CMS intends to maintain the alignment between the Exchange Reference Architecture and MITA as the respective architectures evolve.

**Core Functions Provided by the Exchange**

Certification/Recertification/Decertification of Qualified Health Plans (Enrollment process)

Customer Service through multiple channels (call center, email, mail, etc.) (Application and notices)

Exchange website (Individual Responsibility Exemption determination)

Plan quality rating (Premium tax credit and cost-sharing reduction administration)

Navigator program (Outreach and education)

Premium calculator (Free Choice Vouchers)

Eligibility determinations for Exchange participation, premium tax credits, and cost-sharing reductions (Risk adjustment and transitional reinsurance)
Seamless eligibility and enrollment process with Medicaid and other state health subsidy programs (SHOP Exchange-specific functions)

Exchange Reference Architecture Framework

provides a mechanism for defining the key business, information, and technical areas that will evolve as the Exchange functionality is built. This document describes the context and relationships between the governance, business, information, and technical areas for the Exchange.

supports five critical objectives that enable the Center’s health care mission: (1) secure the Exchange Environments, (2) support integration between Exchange Environments, (3) facilitate a Service-Oriented Architecture that provides access to required business services, (4) build an enterprise technical architecture that anticipates and responds to the mission and business needs of the states and the federal government, respectively, and (5) provide appropriate and sufficient disaster recovery capability.

Three Architecture Areas

Business Architecture


Information Architecture

The Information Architecture defines the mechanisms for exchanging information between Exchange stakeholders, and for such other functions as information/data management, business intelligence analytical processing, reporting, etc.

Technical Reference Architecture

Finally, the business service implementation requirements and the information exchange requirements are supported by a Technical Reference Architecture that embodies the security, interoperability, portability, and operational requirements of the business services.

The recent publication by the Federal CIO, 25 Point Implementation Plan to Reform Federal Information Technology Management, reinforces the shift to a —cloud first— policy for federal IT developments. CMS intends to support a managed services implementation for the federally hosted Exchange Environment. In addition, the TRA supplements will contain guidance defining the use of managed services-based technical environments for Exchange Environments.

Exchange Life Cycle Governance

In an effort to coordinate and ensure optimal execution of investments supporting the Affordable Care Act, CMS will coordinate Exchange investments and their associated projects. By applying CMS governance for Exchange development, CMS intends to optimize investments, facilitate expediency and best practices, and establish effective federal and state collaboration and sharing.

CMS is proposing life cycle governance around the development, implementation, and maintenance of Exchange solutions. The primary purpose of CMS’ life cycle governance is to provide the mechanisms and tools to:

Help prioritize and advance projects quickly and in a coordinated fashion
Promote learning, sharing, and reuse
Enable managed performance and accountability
Exercise standards and best practices, leverage existing solutions, and create common and seamless services where appropriate
Provide a framework with common synchronization points across multiple projects
Offer flexibility to encourage the use of agile systems development methodology.

Information Exchange

Information exchange transmission requirements will establish standard formats, transfer protocols, currency of data requirements, and the frequency of transmissions. Adherence to the requirements will provide more consistent and reliable information exchange, enabling interoperability between the Exchanges and the Hub.

States may be dependent on existing information output formats that do not match with the guidance in the CMS Exchange Reference Architecture supplements. Each non-compatible information format will require an interim translation step to convert the data to the compatible formats; customarily, the states would be responsible for this translation.

The National Information Exchange Model is a candidate standard. NIEM supports enterprise-wide information exchange standards and processes. The standards promote a common understanding among federal agencies, states, and other stakeholders of the definitions and formats for each information element. NIEM is built as an eXtensible Markup Language (XML) data model specific to the organizations and information at hand.

Technical Reference Architecture

This section describes initial, key technical concepts for establishing an Exchange Technical Reference Architecture.

Provide a standardized, secure computing environment for Exchange and Hub systems and services

Enable efficient and secure interaction with the Exchange Environments by providing standard interfaces for entities that access Exchange and Hub applications, services, and data

Provide the necessary control to implement policy and requirements changes so CMS can comply with statutes and regulations on a timely basis, and to ensure the operational flexibility to handle processing reconfigurations, e.g., for workload distributions and balancing.

Data Center Infrastructure

The architecture for the Exchange Environments is characterized as a multi-zone architecture with each zone separated by sufficient security components to support application systems and data security, as shown in Figure 10.

The first or outermost zone—the Presentation Zone—supports web servers and can include strictly public data. In addition, data exchange interfaces will usually come through the Presentation Zone to assure adequate security control over the other zones.

The second or middle zone—the Application Zone—supports business logic and technology service components for the business services defined in the Business Architecture. As shown in Figure 10, the business process logic, supported by business service logic, and the specific technology components necessary to implement the business services, reside in the Application Zone.
The third or innermost zone—the Data Zone—contains the database servers used by the business services.

A Management Zone provides security, monitoring, and management in support of all other Zones via appropriate security components. The Management Zone may be separated into functional areas to better define the management interfaces and control points to the multi-zone operational environments. Additional network segments support specialized network services such as Public Key Infrastructure (PKI), Domain Name Services (DNS), etc.
7.12  DHS Process Map

The diagram below shows the flow of processes within the DHS Family Community Resource Center for an individual’s application and redetermination for assistance.
HFS All Kids Process Map

The diagram below maps the processes for application for the HFS Bureau of All Kids program.