


CCIIO SF-PPR-B

Grantee Information & Certification

PERFORMANCE PROGRESS REPORT SF-PPR			
1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	
		3a. DUNS Number 809376155	
		3b. EIN 1036000264D4	
4. Recipient Organization Vermont Dept of Disabilities, Aging and Independent Liv			5. Recipient Identifying Number or Account Number
Address Line 1 208 Hurricane Ln			
Address Line 2			
Address Line 3			
City Williston	State VT	Zip Code 05495	Zip Ext. 2069
6. Project/Grant Period Start Date: 11/29/2011	6. Project/Grant Period End Date: 08/27/2013	7. Reporting Period End Date: 09/30/2012	
		8. Final Report? No	
		9. Report Frequency SEMI-ANNUAL	
10. Performance Narrative (Attach a performance narrative as instructed by the awarding Federal Agency)			
11. Other Attachments (attach other documents as needed or as instructed by the awarding Federal Agency)			

Certification

12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
12a. Typed or Printed Name and Title of Authorized Certifying Official Mary A. Alligood	12c. Telephone (area code, number and extension) (802) 871- 3255 Ext.
	12d. Email Address maryann.alligood@state.vt.us
12b. Signature of Authorized Certifying Official 	12e. Date Report Submitted (Month, Day, Year) 10/30/2012

A. Core Areas Legal Authority and Governance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Legal Authority and Governance
What are the primary strategies your Program has used to approach this Core Area?	Vermont benefits from a high level of support for health care reform at the highest levels of State government, and the Exchange team seeks to take advantage of this support to ensure the successful development and implementation of our Exchange.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Act 48, which authorizes Vermont's Exchange, was passed and signed into law in 2011. Act 48 provides a framework for the Health Benefit Exchange and articulates goals, governance structure, and functions, and defines its purpose as follows:</p> <ul style="list-style-type: none"> • to reduce the number of uninsured and underinsured; • to reduce disruption when individuals lose employer-based insurance; • to reduce administrative costs in the insurance market; • to contain costs; and • to promote health, prevention, and healthy lifestyles by individuals; and to improve quality of health care. <p>Act 48 established the Exchange within the existing Department of Vermont Health Access (DVHA), the state's Medicaid agency. The law further created a Deputy Commissioner position to lead the Exchange work within DVHA, Vermont's Medicaid agency. The Exchange Deputy Commissioner reports to the DVHA Commissioner who reports to the Secretary of the Agency of Human Services. With the arrival of the Level 1 grant, this position was filled in November 2011, with a mid-December start date.</p> <p>Act 48 also created the Green Mountain Care Board (GMCB) to oversee health care cost-containment and other reform efforts in Vermont, including, over time, the development of a single payer system. Members of the GMCB are responsible for controlling the rate of growth in health care costs and expanding the State's health care payment and delivery system reforms by building on Vermont's Blueprint for Health and implementing policies that move away from a fee-for-service payment system to one that is based on quality and value. The only governing role the GMCB has over the Exchange is the Essential Health Benefits and plan design decisions. The Exchange has worked closely with the GMCB, and processes are in place to facilitate frequent input on important health policy issues that impact Vermonters, such as the Essential Health Benefits analysis.</p> <p>On May 16th, 2012 the Governor signed Act 171 into law. This law further refines Act 48 and prepares the State for the implementation of the Exchange. The Exchange-related components of Act 171 were to clarify the definition of small employer, define the role of brokers in the Exchange, merge the individual and small group markets, and require individuals and small groups to purchase insurance through the Exchange.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Enabling authority for Exchange and SHOP	Q2 - CY2012	5. Complete	http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=33&Chapter=018&Section=01801
2	Board and governance structure	Q2 - CY2012	5. Complete	http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=33&Chapter=018&Section=01803

A. Core Areas Consumer and Stakeholder Engagement and Support

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Consumer and Stakeholder Engagement and Support
What are the primary strategies your Program has used to approach this Core Area?	<p>Vermont prioritizes engagement and collaboration with key partners and stakeholders to ensure the successful design, development, and implementation of the Exchange. The State uses advisory meetings, public forums, media inquiries, and other interactions to educate Vermonters about the State's vision for health care reform and the role of the Exchange in that vision. The State also values the input of Vermonters in the process of building the Exchange, soliciting this input through formal structures and informal interactions.</p> <p>An important priority of the Exchange is providing effective consumer assistance to individuals and small businesses. Vermont recognizes that providing a high level of service to consumers is particularly important with the passage of Act 171. Under Act 171 in Vermont, unlike other states, there will be no available market outside of the Exchange. Vermont has developed goals for the consumer experience within the Exchange for both individuals and small businesses. The mission of the Exchange is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan. The Exchange has identified four functions that it feels are critical to providing the level of consumer support required by the ACA:</p> <ol style="list-style-type: none"> 1. Creating a call center with a toll-free hotline to assist all Vermonters seeking health insurance; 2. Developing a broad network of Navigators; 3. Working closely with agents and brokers; and 4. Building on the capacity of the existing Office of the Health Care Ombudsman (HCO).
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Stakeholder Consultation: Vermont has continued to develop relationships with internal and external stakeholders to ensure the successful launch and execution of Vermont Health Connect. The State has engaged in a number of conference and speaking opportunities, spread the word through local earned media, and coordinated an outreach leadership group. Additionally, Vermont has kicked-off the Vermont Health Connect outreach efforts through a number of grassroots activities, a strategy popular in the region. Activities have included public forums, planned webinars and Town Meeting Day events, compilation of a stakeholder database, and trainings for outreach supporters. The additional outreach activities outlined in the Outreach & Education plan will compliment all grassroots efforts and will officially begin in January 2013.</p> <p>Outreach & Education: In October 2012, Vermont finalized the Outreach & Education plan in compliance with federal guidelines and in concert with market research findings. The plan includes specified audiences, core strategies and milestones to guide all outreach and education efforts and plans for outreach and education that will increase awareness of and educate Vermonters about Vermont Health Connect. This includes materials development, earned media, paid media, social media, stakeholder engagement, community outreach and state employee communications. Vermont is currently finalizing contracts with two firms to support the Outreach & Education work stream. The Outreach and Education plan can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/For%20Websitevermont-health-connect-outreach-and-education-plan.pdf</p> <p>Vermont has also begun implementing the visual identity, as recommended by research and consulting firm, GMMB. All outreach materials and general communications are branded with the Vermont Health Connect identity.</p> <p>Call Center: Vermont is committed to having a robust, integrated call center solution that will serve the needs of individuals, families, employees and employers who use the Exchange, including our Medicaid population. Wakely Consulting completed an assessment of our current call center, and the Exchange has embarked on business requirement design sessions for the future Exchange call center. Based on the assessment, Vermont is building call center business requirements with the following considerations:</p> <ul style="list-style-type: none"> • The Exchange call center will leverage existing resources whenever practical. • All customer support staff will have access to the same knowledge management tools. • All customer support staff will document customer contacts through a common Customer Relationship Management (CRM) solution. • Change management will be coordinated across the departments and agencies responsible for providing customer support. <p>During this reporting period, a number of activities took place that advanced the development of Vermont's customer support center. Vermont completed a GAP analysis and catalog of Best Practice, Metrics, and Standards as well as a RACI chart for CSC development. Through a series of requirements gathering sessions, Vermont created the overall business context for customer service as well as a Traceability Matrix (RTM) for minimally necessary ACA business requirements and processes.</p> <p>In September, 2012 Wakely Consulting completed a comprehensive assessment, which provides analysis of current call center operations in Vermont as well as recommendations for the design of a best-practice customer support center for the Exchange. The report can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/Planning_Research_Documents/call-center-assessment-presentation.pdf. Vermont is committed to stakeholder feedback, and has a contract with the Vermont Campaign for Health Care Security (the Campaign) that includes a providing feedback on the design of the customer support function. The Campaign reviewed the Wakely report and conducted a number of interview sessions to gain input on the proposed design, and a copy of the report can be found here: http://dvha.vermont.gov/administration/comments-on-call-center-assessment.pdf</p> <p>Vermont's Exchange is located within the State's Medicaid agency, and Vermont currently contracts with a Maximus to provide customer support for Medicaid beneficiaries. During this period the Exchange received approval to forgo an open RFP process for the Exchange customer support services and instead pursue an amendment to the current vendor contract. Vermont initiated the process of defining the contents of the amendment, based in large part on the Wakely report and the feedback from our stakeholders.</p> <p>Website: In addition to strategies outlined in the Outreach & Education plan, Vermont has launched an informational website for Vermont Health Connect, vermonthealthconnect.gov. The site offers official Exchange information for individual and families, small businesses, and community partners. The Vermont Health Connect transactional website will reside at the same URL, and once established, will replace the informational website content.</p> <p>Navigators/In-Person Assistors: During this reporting period Vermont continued to make progress in defining the Navigator program. Wakely Consulting provided input into Navigator capacity and compensation methods, summarized here:</p>

	<p>http://healthconnect.vermont.gov/sites/hcexchange/files/VT%20Nav%20Program.pdf. Vermont initiated the process to secure the required State funding for the Navigator program, including a request of \$400,000 in the Department of Vermont Health Access budget for FY2014.</p> <p>On November 14th, 2012 Vermont submitted an application for a Level One Establishment Grant to secure funding for an In-Person Assistance Program. Prior to submission of the report, Vermont posted a Request for Information to an array of individuals and organizations, including brokers and non-profit and social services agencies currently providing or potentially interested in providing enrollment assistance. A total of 150 responses were received, and the results influenced Vermont's approach to the Navigator and In Person Assistance program. A copy of the RFI findings can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/Advisory_Board/rfi-findings-nov-7.pdf. A summary of Vermont's approach to the Navigator and In Person Assistance programs was presented to the Medicaid and Exchange Advisory Board, and a copy can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/Advisory_Board/3vhc-consumer-assistance-program-meab-11-19-12.pdf.</p> <p>Agents/Brokers: During this reporting period Vermont made key decisions regarding the role of brokers in the Exchange, and made progress in defining the process to utilize Level Two funding to assist small employers seeking to procure the services of brokers in their decision-making and selection process regarding employee coverage. Including broker stakeholders in the process, Vermont will develop a process to register licensed producers on the Exchange and require their adherence to conflict of interest and privacy and security standards. Brokers will participate in the same training program as Navigators/In Person Assistors, and Vermont intends to ensure that participation in this training will qualify as continuing education for the Vermont Producer's License. Finally, Vermont worked with CCIIO to ensure that the Exchange broker program complies with federal guidance.</p>
<p>What are some of the significant barriers your Program has encountered?</p>	<p>No significant barriers were encountered in this area.</p>
<p>What strategies has your Program employed to deal with these barriers?</p>	

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Stakeholder consultation plan	Q4 - CY2014	3. On Schedule	
2	Outreach and education	Q4 - CY2014	3. On Schedule	
3	Call center	Q4 - CY2014	3. On Schedule	
4	Internet Web site	Q4 - CY2014	3. On Schedule	
5	Navigators	Q3 - CY2013	3. On Schedule	

A. Core Areas Eligibility and Enrollment

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Eligibility and Enrollment
What are the primary strategies your Program has used to approach this Core Area?	<p>Vermont seeks to use the process of design, development and implementation of the Exchange as a catalyst for and a partner in the modernization of the State's current eligibility system, yielding one system that will determine eligibility for the Exchange, CHIP, and Medicaid. Locating the Exchange within DVHA allows Vermont to leverage existing State work, in collaboration with the Department of Children and Families (DCF), with both Departments having access to the modernized eligibility system. The system will be designed to add future functionality for other benefit programs offered by DCF, such as SNAP, TANF, and LIHEAP. For the Exchange, the system will allow Vermonters to compare health plans, enroll in a plan, and receive tax credits or public assistance, if eligible. The consumer-facing component of the Exchange will be a website portal that allows for anonymous browsing, plan comparison, eligibility determination, and plan enrollment, augmented by call center and in-person assistance as needed. This portal will include real-time determinations and a single-session enrollment process.</p> <p>Vermont currently uses a combined application for residents applying for health benefits and other benefits such as SNAP and TANF. In the first phases of Vermont's integrated eligibility systems development, healthcare applications will be de-coupled and updated to comport with all necessary changes under the ACA and Vermont's unique Medicaid expansion populations. Vermont is hoping to adopt the healthcare application that CMS is currently developing. Vermont's goal is seamless and streamlined processes for all Vermonters using the public system. Consistent with the ACA requirements, Vermont has begun to develop options to permit application submission online, by phone, fax, or paper form. Any paper applications or forms received will be indexed and scanned at the existing application and document processing center.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Vermont intends to automate and standardize the generation and transmission of Exchange notices, which will help to ensure the quality and consistency of communications. When notices must be manually generated, when possible, Vermont will require staff to employ standardized language. Vermont intends to expedite and simplify the eligibility process with electronic verification through data matching, making full use of the data-matching capabilities that HHS will make available to the states through the Hub. As more information on this service becomes available, it will be incorporated into Exchange process designs. Vermont is also conducting a comprehensive survey of other data sources that are currently available or that may be added in the near future. Additional information on notices, data matching, annual redeterminations and response processing verifications can be found in doc11245. Currently, the Coordination of Benefits Unit (COB) within the Department of Vermont Health Access (DVHA) works with employers on health care. The Exchange will build on this expertise for operations of small business-related activities. Small business eligibility and enrollment is included in the Exchange SI contract, and the business flow will be managed and coordinated as appropriate with ESD staff. Additional information on the Exchange coordination strategy with insurance affordability programs & small business Exchange functions can be found in doc11243.</p> <p>During this reporting period, Exchange staff worked with counterparts in DCF, the Department of Information and Innovation, and the Agency of Human Services IT unit to develop business processes for eligibility and enrollment. Vermont's consultant, Gartner, led a number of business requirement development sessions to develop functional and non-functional requirements for Vermont's integrated eligibility system. In addition to developing business process maps and use cases, these sessions were a key input in the development of an RFP for an integrated eligibility system integrator vendor. By the end of this reporting period, the RFP was released on 12/21/2012 and we are currently in the bid review phase. DCF staff worked to revise current health care rules to incorporate new QHP-related programs, to conform to Medicaid changes, and to prepare for incorporation into the Oracle Policy Automation (OPA) rules engine. The rules-writing RFP was withdrawn, the scope was added to Amendment 5 of the IE RFP, and was made public on 12/21/2012. The Amendment also expanded the IE scope to include the EAF and HSE platform.</p>
What are some of the significant barriers your Program has encountered?	<p>The success of the design, development and implementation of the Exchange is predicated on the completion of health care functionality in the State's modernized integrated eligibility system. There has previously been a concern regarding the ability of the system to be sufficiently operational in time for the Exchange to use this system. There have been challenges in selecting and coming to contract with a vendor for the Exchange solution, but those too have been recently overcome. The Integrated Eligibility RFP was recently issued and a large number of questions were raised by the vendor community, but have been successfully answered.</p>
What strategies has your Program employed to deal with these barriers?	<p>While Vermont continues to support the development of a modernized integrated eligibility system as the platform for multiple programs, the risk of missing regulatory deadlines has been mitigated by decoupling the Exchange from the overall Integrated Eligibility solution. The challenge in selecting a vendor and coming to contract with them has been addressed by analyzing the progress made by other states, assessing the approaches they used and the vendors they are working with and negotiating a sole-source contract with an Exchange systems integrator. The selected vendor (CGI) is delivering concrete deliverables to a state with similar sized, context and needs of the State of Vermont (Hawaii and Colorado). And their solution aligns closely with the architectural approach and the underlying platforms and infrastructure required by the State of Vermont.</p>

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Single streamlined application(s) for Exchange and SHOP	Q2 - CY2013	3. On Schedule	
2	Coordination strategy with Insurance Affordability Programs and the SHOP	Q2 - CY2013	3. On Schedule	
3	Application, updates, acceptance and processing, and responses to redeterminations	Q4 - CY2013	3. On Schedule	
4	Individual responsibility requirement and payment exemption determinations	Q4 - CY2013	3. On Schedule	
5	Eligibility appeals	Q4 - CY2013	3. On Schedule	

A. Core Areas Plan Management

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Plan Management
What are the primary strategies your Program has used to approach this Core Area?	The State will rely upon the resources and expertise of the Department of Financial Regulation (DFR) to conduct plan management activities. The Exchange will build on DFR's current health plan accreditation and quality measures, and will develop integration plans with DFR regarding premium rate justification. There are only two carriers in the Vermont non-group and small group markets (BCBS of Vermont and MVP), and the State seeks to ensure the active participation of these carriers in the process of plan management. Per Act 48, DFR leads the premium rate review process, with the Green Mountain Care Board as the oversight body.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>DVHA has provided recommendations to GMCB on essential health benefits, pediatric vision and dental coverage, and plan design. In August 2012, GMCB approved the Blue Cross Blue Shield (BCBSVT) package as the benchmark plan. This will mean the least amount of market change because 77 percent of Exchange-eligible Vermonters currently have a BCBSVT product. GMCB also accepted DVHA's recommendations on pediatric vision and dental coverage, making CHIP the benchmark plan for pediatric oral and FEDVIP the benchmark plan for pediatric vision. Finally, GMCB accepted DVHA's proposed approach to the development of exchange plan designs through which each participating carrier will offer state-specified "standard" plan designs as well as the potential for additional, choice plans, through Vermont Health Connect. State-specified plans will be offered at all metal tier levels, two bronze, two silver, one gold and one platinum. Carriers will also have the option of crafting and offering innovative "choice" plans within set parameters at the bronze, silver and gold metal tier levels. These plan designs will offer a range of choices among the metal levels, prioritize low cost-sharing for primary care services and generic drugs, and allow portability-giving individuals consistent coverage options regardless of their employment situation. A summary of GMCB decisions can be found here: http://dvha.vermont.gov/administration/2vermont-health-benefit-exchange-gmcb-approval-of-recs.pdf.</p> <p>On November 1, 2012, DVHA issued an RFP seeking to establish agreements with health insurance issuers to offer certified health insurance plans and stand-alone dental plans in 2014 on Vermont Health Connect. The deadline for plan submission was designated for January 8, 2013. Submitted plans will receive regulatory review by the Department of Financial Regulation (DFR), with form review expected to be completed spring 2013, and rate review scheduled to begin March 15, 2013. The qualification of health plans by DFR and DVHA's selection of "choice" health plans to offer on the exchange is scheduled for completion by July 15, 2013.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	N/A

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Appropriate authority to perform and oversee certification of QHPs	Q2 - CY2012	5. Complete	http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=33&Chapter=018&Section=01803 http://hcr.vermont.gov/sites/hcr/files/HIX_docs/2_DFR%20MOU.pdf
2	QHP certification process	Q3 - CY2013	3. On Schedule	
3	Plan management system(s) or processes that support the collection of QHP issuer and plan data	Q4 - CY2013	3. On Schedule	

A. Core Areas Risk Adjustment and Reinsurance

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Risk Adjustment and Reinsurance
What are the primary strategies your Program has used to approach this Core Area?	Despite the inherent disruption that the Exchange will cause in Vermont's small group and non-group markets, the State seeks to mitigate rate fluctuation as much as possible, using risk leveling mechanisms to assist this process.
What are some of your Program's significant accomplishments or strengths in this Core Area?	In October 2012, Exchange staff and the Department of Financial Regulation met with CMS for a design review meetings where it was announce Vermont intends to utilize the HHS risk adjustment and reinsurance programs. Vermont received conditional approval to operate a state based exchange in December 2012, and continues to plan for HHS to run the risk adjustment and reinsurance programs.
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	N/A

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Risk adjustment program	Q4 - CY2012	3. On Schedule	
2	Reinsurance program	Q4 - CY2013	3. On Schedule	

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

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Small Business Health Options Program (SHOP)
What are the primary strategies your Program has used to approach this Core Area?	Vermont is building one Exchange that serves the needs of both individuals and small employers. The State is committed to ensuring that the Exchange will have robust features that are attractive and useful to small employers, that will reduce the administrative burden on the employer, and that will enable employee choice, increased portability, and continuity of coverage.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>During this reporting period, Vermont began the process of drafting administrative rules for small employer coverage options. Vermont reviewed the final Exchange regulations and proposed rules issued in November for provisions relating to small business coverage. Exchange staff reviewed state legislation related to small employer coverage and conferred with colleagues at partner agencies DCF and DFR about the application of existing state law and administrative code to small employer coverage. Vermont developed policies where the federal government has permitted state discretion, and developed a first draft of the administrative rule. Stakeholders were identified and invited to provide input about the draft, and meetings were scheduled for January, 2013.</p> <p>Vermont is interested in ensuring that small employers are provided with the assistance they need to make informed decisions about coverage in the new Exchange market. In October, 2012 Wakely Consulting conducting employer interviews to explore how employers should be guided and supported through this decision-making process. The goal was to use this input to provide information regarding decision-making support tools that could be used by small employers on the web portal or in person by Navigators or in public forums. A copy of the report can be found here: http://dvha.vermont.gov/administration/3implementing-employee-choice-wakely-10.25.12.pdf</p> <p>Vermont also determined the options for employers and employees to choose Qualified Health Plans on the Exchange. After employer interviews last spring, stakeholder discussions throughout the summer and fall, and some additional actuarial analysis, two models will be provided. 1) a full choice model of any carrier and any tier, encompassing the requirement of 45 CFR 155 Subpart H, and 2) a limited model, restricted to one insurer with a choice of tier.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	N/A

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	SHOP compliance with 45 CFR ? 155 Subpart H	Q1 - CY2014	3. On Schedule	
2	SHOP premium aggregation	Q1 - CY2014	3. On Schedule	
3	Electronically report results of eligibility assessments and determinations for SHOP	Q1 - CY2014	3. On Schedule	

A. Core Areas Organization and Human Resources

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Organization and Human Resources
What are the primary strategies your Program has used to approach this Core Area?	<p>Vermont's strategy for organization and human resources is to locate the Exchange within State government and to leverage current State resources as much as possible. The State seeks a balanced approach to hiring, seeking to create State positions as needed while also procuring the services of contractors with expertise in critical areas.</p> <p>Per Act 48, the Vermont Health Benefit Exchange is located within the Department of Vermont Health Access (DVHA,) the State agency that administers Medicaid as well as other State health benefit programs. Locating the Exchange within State government allows Vermont to leverage existing state resources for certain Exchange functions. The Exchange can look within DVHA for expertise in financial management and call center operations, the Department of Financial Regulation for risk leveling, plan management, and QHP certification, the Department of Children and Families for eligibility support, and the IT department of the Agency of Human Services for IT project management.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	During this reporting period, the Exchange continued to fill a number of Establishment Grant funded positions, both within the Exchange and across our sister agencies and departments. In the Exchange this included the hiring of the following positions: Policy and Planning Chief, Director of Education and Outreach, and two Project Directors.
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	N/A

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Organizational structure and staffing resources to perform Exchange activities	Q4 - CY2013	3. On Schedule	

A. Core Areas Finance and Accounting

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Finance and Accounting
What are the primary strategies your Program has used to approach this Core Area?	The State is committed to developing and maintaining a financial management system for the Exchange that complies with state and federal requirements, supports a transparent and efficient accounting and reporting process, and leverages current State resources to the greatest extent possible. In addition, the State recognizes that the ultimate success of Vermont's health reform goals relies upon an efficient, effective Exchange, and so the State is committed to developing a long-term sustainability plan for the Exchange. Housing the Exchange in an existing state agency created the opportunity to leverage an established structure for the financial management functions of the Exchange. Vermont has developed or utilized existing financial procedures to provide control and reporting of all property, funds, and assets related to grants and cooperative agreements with the federal government. These policies and procedures meet the requirements of the state's existing financial oversight requirements, while still adhering to HHS monitoring needs for grant funding. These procedures include rules related to vendor oversight and quality assurance.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>As required under the ACA, Vermont is planning for the financial self-sustainability of Exchange operations by January 1, 2015. The State has not yet determined a mechanism for financing the ongoing operations of the Exchange (assuming revenue is needed outside of the usual state revenue sources) and will submit a financing plan to the Vermont general assembly on January 15, 2013, as required by Act 48 (2011). During this reporting period Vermont made significant progress in developing that plan.</p> <p>Vermont has housed the Exchange within the State's Medicaid agency, the Department of Vermont Health Access (DVHA), and thus the Exchange budget will be developed and approved within the DVHA budget. The budget period that includes January through July 2014 will proceed through the Vermont legislature beginning in January 2013. Because of this, the financing of the Exchange, unlike other states with an independent entity, must be done in conjunction with the state budget process. The benefit, however, is that the Exchange is part of a larger state agency with existing revenue sources and may not need an entirely separate or unique revenue stream.</p> <p>The State has worked with CMS to create a cost-allocation process to ensure that costs are allocated appropriately between existing programs and the Exchange. Due to the State's small population size and similarly modest expected exchange enrollment, a per person enrollment fee, as discussed in larger states, will not be the most effective mechanism in meeting the organization's funding needs. The State is examining at a wide range of financing options from claims assessments (new or increasing existing assessments) to revenue from advertising on the Exchange website.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	

B. Exchange Activity

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

A. Core Areas Technology

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155	4. Reporting Period End Date 09/30/2012
		3b. EIN 1036000264D4	
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Technology
What are the primary strategies your Program has used to approach this Core Area?	<p>The State will leverage current technology infrastructure and procure additional infrastructure and resources as needed to ensure our ability to operate a federally-compliant Exchange by October, 2013. The design, development, and implementation of the Exchange coincide with another enterprise-wide procurement approach to modernize the State's integrated eligibility system. The State will coordinate these efforts to ensure the ultimate development of one system to determine eligibility for Medicaid, CHIP, and the Exchange. The State seeks to reuse functionality and share data and logic across human services areas to improve efficiency and scalability.</p> <p>On December 17th, 2012 Vermont signed a systems integration contract with CGI. Through Vermont Health Connect, the mission of the State is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan. In order to support the mission above, the State contracted with CGI to purchase services that will result in the implementation of the core technology components necessary to create the Vermont Health Connect. In addition to the capabilities CGI will deliver, the state also contracted to obtain:</p> <ul style="list-style-type: none"> • High quality, cost-effective outsourcing services; • A flexible relationship in which Supplier will be highly responsive to SOV's requirements and adaptable to changes in federal and state laws governing the management of insurance, technology, business methods, business functions, volumes of operations, new generations of technology and improved methods of monitoring, measuring and providing service; and • An effective methodology for managing the relationship between Supplier and SOV and any other suppliers that may become part of the Exchange. <p>The key capabilities delivered through the scope of the CGI contract include:</p> <ul style="list-style-type: none"> • Individual Eligibility - determination of QHP and MAGI Medicaid eligibility for individuals and families. • Individual Enrollment - integration, data model, and workflow transactions to support operational reconciliation of enrollment data between the State, Qualified Carriers, and the Federal Data Hub • Plan Management - integration, data model, and workflow transactions to enable the management of QHP plans, connectivity to SERFF, and the ability to present plans to the Vermont Health Connect to offer to Vermonters • Small Business - integration, data model, and workflow transactions to support small group Employer eligibility determination, employer plan selection, employee census management, premium aggregation, and Federal reporting requirements for small businesses • Financial Management - integration, data model, and workflow transactions to enable premium processing for individuals and small businesses, premium remittance to issuers, and back-office accounting transactions and reporting • Administrative - provide capabilities to support monitoring and reporting of system performance, audit trails, an operational management of the Vermont Health Connect • Reporting - Provide a business analytics solution that will use a data warehouse for business intelligence, predictive analytics, and reporting. The solution will support end-to-end operations • Noticing - Enable delivery of email and paper notices based on federal and state mandates and regulations • Web Portal UX - Provide user friendly navigation to enable Vermonters to apply for and review benefit options offered through the VHC • Consumer Assistance - Provide multiple channels (online, call center, etc.) for customer service including eligibility and enrollment inquiries and appeals support. • Consumer Assistance - Navigator - Provide the online and automated capabilities necessary for Navigators, In-person Assistors and Brokers to facilitate the education and enrollment of Vermonters into QHPs and MAGI Medicaid Benefit plans. <p>CGI is partnering with Exeter Consulting Group to implement the OneGate Exchange Product for the State. This pre-configured product greatly expedites Vermont's delivery and well positions the Vermont Health Connect to meet its mission to provide Vermont's access to public and private healthcare benefits come October 2013.</p>
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>During this reporting period the State made significant progress in completing a major milestone that had been pursued since late summer: securing a systems integrator for the delivery of the Vermont Health Connect (link to release).</p> <p>After the unsuccessful negotiations with a previous systems integration vendor, the State began a nation-wide comparison of other states' exchange-related IT contracts. The State of Vermont collaborated with OIS and our State CCIIO officer to identify nineteen states were selected for analysis and narrowed to seven states that were similar in their Exchange model to Vermont. Upon deeper study of those seven states, two states whose contracts could serve as useful procurements for Vermont were identified. Colorado's contract with CGI revealed favorable terms and conditions, while Hawaii's contract with CGI contained a scope of services that was most similar to Vermont's needs. In each state, CGI was</p>

	<p>selected after a competitive bidding process. Use of a transitive procurement process in this context allowed for negotiations using the final, executed contracts in Colorado and Hawaii. This enabled the State to meet CMS's deadline, permitting Vermont to receive federal approval to operate its own exchange, as required by state and federal statute. Reference calls were made to Colorado and Hawaii to collect lessons learned and to identify potential leverage points for the negotiation with CGI. Ultimately, the State was able to secure an agreement with CGI within CMS's deadlines that combined the best components of the Colorado and Hawaii contracts: favorable terms and conditions and scope that encompass the dual interests of software systems integration and cloud-based hosting of data related to the exchange. The State was also able to negotiate a competitive price within the range provided by Vermont's federal grant.</p>
<p>What are some of the significant barriers your Program has encountered?</p>	<p>Vermont's completion of the contract with CGI addressed a significant barrier that the State had been diligently striving to overcome. Currently, as we progress with CGI, our new set of primary risks is focused on scoping, resourcing, and timeline. CGI is leveraging its delivery in Hawaii to accelerate the delivery in Vermont and is using Hawaii's scope as a guide for the solution being delivered in Vermont. Vermont is using a rigorous project management approach to document, track, and mitigate these risks on a weekly basis for reporting to Senior State staff.</p>
<p>What strategies has your Program employed to deal with these barriers?</p>	<p>With the purchase of OneGate, the State is no longer tightly dependent upon the Oregon solution as part of Vermont's critical path. However, Vermont is still communicating with Oregon, Massachusetts, and now Hawaii to continue our commitment to reuse as we have either CGI or Oracle technology, or both in common with these partnership states.</p>

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Adequate technology infrastructure and bandwidth	Q3 - CY2013	3. On Schedule	

A. Core Areas Oversight, Monitoring, and Reporting

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
A. Core Area with associated Milestones			

A. Core Areas

(1) Question	(2) Response
Core Area and Business Function	Oversight, Monitoring, and Reporting
What are the primary strategies your Program has used to approach this Core Area?	Vermont is committed to transparency and accountability in the development and implementation of its Exchange, and seeks to combat waste, fraud, and abuse within all its systems, including its financial management system, the eligibility determination process, appeals for exemptions to the individual mandate, and overall information and funds that flow through the Exchange. Vermont will ensure the ability to track and report performance and outcome measures in order to determine whether the Exchange is meeting its policy goals and to allow the State to recognize quickly and correct any unforeseen and unanticipated negative effects. The State intends to leverage existing program integrity and evaluations processes to the extent possible. Vermont has instituted policies to ensure the proper use of state and federal funds. These policies include a process for regular reporting to HHS and state oversight entities. These procedures meet HHS' audit requirements.
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>Oversight and Monitoring: In November, 2012 Wakely Consulting produced a final draft of an Evaluation plan for the Exchange, which can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/Planning_Research_Documents/evaluation-plan-8-13-12.pdf. This report reviews the key goals for the Exchange, identifies key indicators to measure progress toward those goals, inventories existing data sources, suggests strategies to fill gaps in existing data collection, and provides budget estimates to help inform Vermont's decision-making. Wakely also delivered the final version document, "Baseline Data Report for Vermont Exchange Evaluation," which can be found here: http://healthconnect.vermont.gov/sites/hcexchange/files/Planning_Research_Documents/2baseline-data-report-for-vt-evaluation-final-11-11-12.pdf. Building on the recommendations in the Evaluation Plan, this report further defines the measures that can be used for Exchange oversight and monitoring. Recommended measures were grouped in three categories: (1) Pre and Post Exchange Market, (2) Broad Reform Measures, and (3) Exchange Specific Measures. The draft baseline data report provides a complete baseline assessment of metrics that fall into the first and second categories. The third grouping consists of measures that are not able to be measured until Exchange implementation in late 2013, or operation in early 2014. Vermont will explore the recommendations of these two reports when implementing the Exchange oversight and monitoring plan.</p> <p>Financial Integrity: The Exchange is embedded within the Department of Vermont Health Access (DVHA) and the Agency of Human Services, which allows it to take advantage of existing program and financial integrity policies and practices. A summary of the Exchange's internal control blueprint was posted to CALT as doc11361. Additionally, during this reporting period Wakely Consulting, through its subcontractor KPMG, continued the process of reviewing program integrity policies and procedures. As of December, 2012 KPMG was finalizing their recommendations, focusing on contract management and premium processing.</p>
What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.
What strategies has your Program employed to deal with these barriers?	

B. Exchange Activity

	Exchange Activity	Target Completion	Status of Exchange Activity	Documentation
1	Routine oversight and monitoring of the Exchange's Activities	Q4 - CY2014	3. On Schedule	
2	Track/report performance and outcomes metrics related to Exchange Activities	Q4 - CY2014	3. On Schedule	
3	Uphold financial integrity provisions including accounting, reporting, and auditing procedures	Q4 - CY2013	3. On Schedule	

A. Core Areas Contracting, Outsourcing, and Agreements

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155 3b. EIN 1036000264D4	4. Reporting Period End Date 09/30/2012
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A. Core Area with associated Milestones

A. Core Areas

(1) Question	(2) Response																									
Core Area and Business Function	Contracting, Outsourcing, and Agreements																									
What are the primary strategies your Program has used to approach this Core Area?	Vermont's health reform goals rely in large part upon the successful design, development, and implementation of the Exchange; the success of the Exchange will require significant effort, communication, and collaboration on the part of Exchange staff, other State agencies, our federal partners, as well as contractors and consultants. Vermont is committed to ensuring that the necessary contracts and agreements are in place and follow appropriate state and federal procedures. Additionally, Vermont intends to take a balanced approach to outsourcing, seeking to rely upon State staff and resources as much as possible but bringing in outside resources and assets as necessary, in a cost-effective manner.																									
What are some of your Program's significant accomplishments or strengths in this Core Area?	<p>During this reporting period Vermont initiated contract extensions with GMMB, HES Advisors, Pacific Health Policy Group, and Wakely Consulting, as described below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Contract</th> <th style="width: 15%;">Base</th> <th style="width: 15%;">Amend 1</th> <th style="width: 15%;">Amend 2</th> <th style="width: 15%;">Amend 3</th> </tr> </thead> <tbody> <tr> <td>GMMB</td> <td>2/10/12 - 11/15/12 \$669,750</td> <td>2/10/12 - 6/30/13 \$0 increase</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>HES</td> <td>7/1/12 - 12/31/12 \$605,000</td> <td>7/1/12 - 12/31/13 \$90,750 increase</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>PHPG</td> <td>2/10/12 - 10/15/12 \$344,680</td> <td>2/10/12 - 4/30/13 \$0 increase</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Wakely</td> <td>2/10/12 - 11/15/12 \$1,499,987</td> <td>2/10/12 - 11/15/12 \$406,457 increase</td> <td>2/10/12 - 11/15/12 \$2,977,241 increase</td> <td>2/10/12 - 4/30/14 \$162,065 increase</td> </tr> </tbody> </table> <p>On December 17th, 2012 Vermont signed a contract with CGI for systems integration, as described above in the Technology section.</p>	Contract	Base	Amend 1	Amend 2	Amend 3	GMMB	2/10/12 - 11/15/12 \$669,750	2/10/12 - 6/30/13 \$0 increase	N/A	N/A	HES	7/1/12 - 12/31/12 \$605,000	7/1/12 - 12/31/13 \$90,750 increase	N/A	N/A	PHPG	2/10/12 - 10/15/12 \$344,680	2/10/12 - 4/30/13 \$0 increase	N/A	N/A	Wakely	2/10/12 - 11/15/12 \$1,499,987	2/10/12 - 11/15/12 \$406,457 increase	2/10/12 - 11/15/12 \$2,977,241 increase	2/10/12 - 4/30/14 \$162,065 increase
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What are some of the significant barriers your Program has encountered?	No significant barriers were encountered in this area.																									
What strategies has your Program employed to deal with these barriers?	N/A																									

B. Exchange Activity

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

C. Overall Project

1. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight	2. Federal Grant or Other Identifying Number Assigned by Federal Agency HBEIE120080	3a. DUNS 809376155	4. Reporting Period End Date 09/30/2012
		3b. EIN 1036000264D4	

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

C. Overall Project

(1) Question	(2) Response
Status of Project	4. On Schedule
Percentage Completed	2. 0-24%
Overall Progress Narrative	During this reporting period, Vermont continued to make significant progress in Exchange development. Vermont participated in a Design Review on October 1 st and 2 nd , 2012, and on November 7 th , 2012 submitted an application for approval to operate a state-based Exchange. Exchange staff finalized an outreach and education plan, and continued stakeholder engagement through an advisory board, public forums, and other outreach activities. Vermont launched an informational website for Vermont Health Connect at vermonthealthconnect.gov . On November 14 th , 2012 Vermont also submitted an application for a Level One Establishment Grant, primarily to fund the operation of an in-person assistance program to assist Vermonters in enrolling in plans on the Exchange. An RFP was released for health insurance issuers interested in offering certified health insurance plans and stand-alone dental plans, and the process was finalized for qualifying plans and selecting "choice" plans. Vermont finalized a decision to utilize the HHS risk adjustment and reinsurance programs. Vermont began the process of drafting administrative rules for small employer coverage options and finalized the employee choice models for small employers. On December 17 th , 2012, Vermont successfully procured a systems integrator for the Exchange by signing a contract with CGI.
Document approved changes to your Program's work plan	Comments: We worked with our state officer, Dawn Horner, to update our work plan with her approval.
Please describe any changes to key personnel assigned to this project, including contractual staff	Comments: None during this reporting period.
Request CCHIO consultation	Yes <input checked="" type="checkbox"/> No
	Comments:

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