November 15, 2012

The Honorable Kathleen Sebelius  
Secretary, United States Health & Human Services Department  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Sebelius:

Please find enclosed the North Carolina Department of Insurance’s Level One Establishment Cooperative Agreement application, submitted in response to the “Cooperative Agreements to Support Establishment of the Affordable Care Act’s Health Insurance Exchanges” funding opportunity (CFDA 93.525) issued June 29, 2012.

I currently serve as Project Director for the Department’s existing Level One Establishment Cooperative Agreement, awarded to the Department on August 15, 2011, and will continue to serve in that capacity for the duration of this Cooperative Agreement. My contact information is as follows:

M. Benjamin Popkin, JD, MPH  
North Carolina Department of Insurance  
430 North Salisbury Street  
Raleigh, North Carolina 27603  
(919) 715-8967  
ben.popkin@ncdoi.gov

Funds provided by this Cooperative Agreement will be used to accomplish the work proposed in the accompanying application, for purposes in keeping with authorization given the Department by the North Carolina General Assembly during the 2011-2012 legislative session.

Commissioner Wayne Goodwin and the Department of Insurance look forward to working collaboratively with the North Carolina Department of Health and Human Services, the Health Benefit Exchange, upon its establishment, and the other appropriate State and federal entities to enable North Carolina to proceed in the direction most suited to advancing and protecting the interests of the people of the State. To this end, we request your consideration of the Department’s attached Cooperative Agreement application.

Sincerely,

M. Benjamin Popkin, JD, MPH  
Healthcare Attorney/Project Director, Exchange Planning  
North Carolina Department of Insurance

Cc: Commissioner Wayne Goodwin  
Governor Beverly Perdue  
Governor-elect Pat McCrory
November 15, 2012

The Honorable Kathleen Sebelius
Secretary of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Sebelius:

I write in support of the attached application from North Carolina for funding through the Cooperative Agreement to Support Establishment of the Affordable Care Act’s Health Insurance Exchanges.

Under North Carolina Session Law 2011-391, the North Carolina Department of Insurance (NC DOI) and the North Carolina Department of Health and Human Services (NC DHHS) are charged with collaborating and planning in furtherance of the requirements of the Affordable Care Act. NC DOI is the lead agency in planning our state’s work regarding a Health Insurance Exchange and has worked closely with NC DHHS on all efforts to date and in this grant request.

North Carolina’s anticipated Exchange model for 2014 is the State Partnership Exchange. However, it remains the stated intent of the state “to establish and operate a state-based health benefits exchange that meets the requirements of the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, collectively referred to as the Affordable Care Act (ACA).”

North Carolina welcomes the opportunity to continue to work with your department and the Center for Consumer Information and Insurance Oversight in establishing a Health Insurance Exchange to expand access to health care coverage for hundreds of thousands of our citizens.

Sincerely,

Beverly Eaves Perdue

C: Governor-elect Pat McCrory
Commissioner Wayne Goodwin
November 15, 2012

The Honorable Kathleen Sebelius
Secretary, United States Health & Human Services Department
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

I offer my support for the North Carolina Department of Insurance’s Level One Establishment Cooperative Agreement application, submitted in response to the “Cooperative Agreements to Support Establishment of the Affordable Care Act’s Health Insurance Exchanges” funding opportunity (CFDA 93.525) issued June 29, 2012.

Preserving State-based authority over our health insurance market, rather than ceding that authority to the federal government through inaction, is in the interest of all North Carolinians. The North Carolina General Assembly voiced its intention to establish an Exchange in Session Law 2011-391: “It is the intent of the General Assembly to establish and operate a State-based health benefits Exchange that meets the requirements of the federal... Affordable Care Act (ACA)” and authorized the Department of Insurance and the Department of Health and Human Services (DHHS) to “…collaborate and plan in furtherance of the requirements of the ACA.”

This Cooperative Agreement will enable the Department to continue these collaborative efforts with DHHS and to develop capabilities and functions provided for under the ACA that fall within the regulatory authority and role of the Department. These efforts will position the State to proceed with establishment of a State-based health insurance exchange (Exchange) at such time as the requisite enabling legislative action has been taken by the General Assembly. Once legally established, the Exchange may build off the work completed under the Cooperative Agreement and most rapidly implement an Exchange that will operate for the good of the people of our State.

Successful implementation and operation of Exchange functions in North Carolina, in accordance with the timeline and other requirements set forth in the Affordable Care Act, will require that a concerted, collaborative effort be made between the Department and the necessary State and federal agencies. I agree to participate in discussions and reviews with the Exchange, whether federal or state-based, upon its establishment, to assist with its development and implementation of Exchange activities and to coordinate efforts between the Department and the Exchange, as appropriate.

Very truly yours,

Wayne Goodwin
Commissioner of Insurance

WG:tb
Cc: Governor Beverly Perdue
    Governor-Elect Pat McCrory
The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Sebelius:

In a separate letter, our Department’s Medicaid Director has expressed his program’s support for North Carolina’s application for the next round of funding for the establishment of a Health Insurance Exchange in our state. This letter is to emphasize our entire agency’s support for this proposal.

The proposal includes the funds needed to build out the Exchange eligibility functionality on our current NC FAST electronic Medicaid eligibility system in what will truly be a “no wrong door”/single portal eligibility and case management system. We are excited about what this system will mean to all North Carolinians and to carrying out the Affordable Care Act’s broader goals. We pledge to share with the Center for Consumer Information and Insurance Oversight (CCIIIO) and other states what our department has learned in the early build of this eligibility program.

We look forward to ultimately providing North Carolina citizens all of the Exchange functionalities through a State Based Exchange. In the interim, we look forward to working closely with CCIIIO and with the North Carolina Department of Insurance in establishing a State Partnership Exchange for 2014.

Sincerely,

Albert A. Delia
November 9, 2012

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius,

This letter is to affirm our Medicaid Program’s full support of North Carolina’s application for additional funding for the next phase of development of an Exchange for our State. We are committed to continuing to work closely with the NC Department of Insurance (NC DOI) toward the establishment of an Exchange authority in North Carolina.

In the interim, we will be working closely with NC DOI, the Center for Consumer Information and Insurance Oversight (CCIIO) and Centers for Medicare & Medicaid Services (CMS) in setting up the appropriate exchange functions to serve North Carolina through a State Partnership Exchange. To this end, we are desirous of having our state Medicaid eligibility system, NC FAST, fully developed to be able to serve as the eligibility and enrollment engine for the Exchange as well as our Medicaid program for North Carolina residents.

We feel strongly that having NC FAST serve as the “one stop eligibility determination system” for the Exchange, as well as Medicaid and SCHIP, will provide more effective and efficient service to North Carolina residents, with fewer errors and costly reclassifications.

In addition to collaborating with NC DOI (and NC’s Exchange authority when established) and CCIIO on eligibility and enrollment, our agency will be coordinating with NC DOI and CCIIO on all consumer assistance, outreach, and education programs, as well as the development of Navigator and “personal assister” efforts.

In all, these endeavors we will seek to avoid duplication and promise to make the most effective use of limited federal and state resources.

Very truly yours,

Michael Watson, Director
Division of Medical Assistance
During the 2011 legislative session, the North Carolina General Assembly (NCGA) enacted legislation, S.L. 2011-391, stating its intent to establish a North Carolina Health Benefit Exchange (NCHBE). Additionally, the NCGA authorized the North Carolina Department of Insurance (NCDOI) and the North Carolina Department of Health and Human Services (NCDHHS) to “collaborate and plan” for Exchange establishment “in furtherance of the Patient Protection and Affordable Care Act.” At the time of this writing, the NCHBE had not yet been legally established, thus funding is requested to support a federal partnership model for 2014. North Carolina may transition to a State-based Exchange (SBE) model in a future year.

NCDOI has assumed the lead role in applying for and managing Exchange funding, and is applying for this second phase of Level I funding for Health Insurance Exchange Establishment in North Carolina. The NCDOI is responsible for implementing the insurance-related requirements of the Patient Protection and Affordable Care Act (ACA) and for regulating the insurance industry in North Carolina in general. NCDOI is working in close collaboration with NCDHHS in planning for the implementation of a federal partnership or SBE. NCDOI anticipates assuming the plan management and consumer assistance functions under a federal partnership, then continuing those functions for the NCHBE once established. NCDHHS anticipates assuming a portion of the individual Exchange eligibility functions for a federal partnership, as allowed by CMS, then continuing those functions for the NCHBE once established.

Requested funding will be used to build upon activities facilitated by NC’s Exchange Planning Grant and first Level I Cooperative Agreement. In particular, funding is requested to support the following activities:

1. NCDHHS, through NC FAST, will implement the Cúram Healthcare Reform (HCR) Module and integrate it with existing NC FAST projects and Federal data sources to support an ACA compliant federal partnership Exchange in North Carolina by October 1st, 2013. Subsequently, NC FAST will define functionality to be implemented to transition to a State-based Exchange.
2. NCDOI will implement and enhance plan management functions applicable under either a federal partnership or SBE model, implement an in-person assistance program, and provide support for other consumer assistance activities under a federal partnership Exchange and ultimately the NCHBE.

In 2011, Milliman, Inc. projected that roughly 700,000 North Carolinians, many of whom currently have limited or no access to coverage, would acquire health insurance coverage through the Exchange in 2014. Milliman, Inc. also found that expansion of Medicaid and availability of premium subsidies and reduced cost sharing through the Exchange is expected to decrease the percentage of non-elderly uninsured North Carolinians by ten percentage points, from 18% to 8%. The anticipated reduction in the number of uninsured residents is partially due to the creation and operation of an Exchange in the State, providing many of the currently uninsured with access to subsidized coverage. In addition, the Exchange will benefit individuals eligible for other health and human services programs, by providing a single site for simplified acquisition of coverage.
NORTH CAROLINA EXCHANGE
ESTABLISHMENT LEVEL I: PROJECT NARRATIVE

EXISTING EXCHANGE PLANNING AND ESTABLISHMENT PROGRESS

North Carolina has made significant progress in planning the development of a state-based or federal partnership Health Benefit Exchange. Progress to date is detailed in the following sections.

BACKGROUND RESEARCH

ACTUARIAL AND MARKET ANALYSIS

The North Carolina Department of Insurance (NCDOI) issued an RFP in November of 2010 requesting proposals to provide background research related to the health insurance marketplace in North Carolina. The Exchange Study, funded by the initial Exchange Planning grant and performed by Milliman, Inc., provided estimates of the impact of the changes to the insurance market on enrollment and premiums by market segment as a result of the Patient Protection and Affordable Care Act (ACA) and addressed several decision points for Exchange planning including: the impact of defining small group insurance to include groups with 51 – 100 employees, merging the individual and small group markets, ways to address potential adverse selection, and a projected operational budget for 2014 and 2015. The Study concludes that the rate of uninsurance among nonelderly adults would decrease in 2014 from roughly 18% to 8%, due in part to the establishment of the North Carolina Health Benefit Exchange (NCHBE). The number of individuals in the NCHBE is expected to reach roughly 700,000 in 2014, and 900,000 by 2016, comprised of 94% individual membership and 6% small businesses. See Attachment A for select results from the Exchange Study.

The Milliman, Inc. Exchange Study projections have helped form North Carolina’s expectations for long-term operational costs, outreach and enrollment strategies, and have informed policy decisions for governance structure of an Exchange.

ESSENTIAL HEALTH BENEFITS ANALYSIS

NCDOI engaged its consultants at Manatt Health Solutions and Oliver Wyman to develop an analysis of benchmark plan options available for North Carolina to adopt as its Essential Health Benefits (EHB) package for 2014 and 2015. The study identified the covered benefits and limitations of all eligible EHB benchmark plan options. The analysis included a holistic price analysis of the plan options and comparison of 8-10 outlier benefits (benefits that varied across plans) in terms of financial, social and medical impacts of inclusion of these benefits in the EHB. The study concluded that NC’s default plan option, the largest small group plan by enrollment, was not materially different from other benchmark options in the range of benefits offered or the cost, and would not appear to be detrimental to the citizens of North Carolina if it were selected as NC’s Essential Benefits Package. The entire report is available online at:
http://www.ncdoi.com/lh/LH_Health_Care_Reform.aspx, NCDOI sent the report to the NC General Assembly prior to the 2012 legislative session for its consideration and action. At the time of this writing, no action had been taken.

BASIC HEALTH PLAN ANALYSIS

Using Planning grant funding, NCDOI contracted with the North Carolina Department of Health and Human Services (NCDHHS) to perform an analysis of a Basic Health Plan (BHP) option for North Carolina. NCDHHS' consultant identified the budgetary, time and staffing, and technological constraints facing the State for BHP development. In light of identified constraints, the analysis weighed the advantages and disadvantages of a BHP from the perspective of NCDHHS, the NCHBE, once established, and potential BHP enrollees. NCDHHS has reviewed the analysis and has decided that North Carolina not pursue BHP implementation at this time. NCDHHS acknowledges that it may want to revisit the issue in future years.

LEGAL AUTHORITY

To date, North Carolina lacks legal authority to establish a state-based Exchange (SBE). During the 2011 legislative session, the North Carolina General Assembly (NCGA) passed North Carolina Session Law (S.L.) 2011-391, which includes a provision stating the NCGA's intent to establish and operate an SBE, and gives NCDHHS and NCDOI explicit authority to collaborate and plan in furtherance of the requirements of the Affordable Care Act (ACA). The relevant provision of S.L. 2011-391 can be found in Attachment B. Pursuant to this law, NCDOI reported back to the NCGA at the start of the 2012 session on issues related to SBE establishment and health insurance market reforms. None of the issues reported by the NCDOI were taken up by the NCGA during the 2012 session.

The NC House of Representatives introduced House Bill 115 (H115), which would establish the NCHBE as an independent, quasigovernmental non-profit entity. H115 passed the House of Representatives during the 2011 legislative session, but was not taken up in the Senate. H115 is available at: http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2011&BillID=H115&submitButton=Go. The Health Benefit Exchange and Insurance Oversight Workgroup (HBEIO, see Stakeholder Consultation below) made the following consensus recommendations relating to Exchange governance:

a) Recommend that the State operate its own Exchange rather than have the federal government operate the Exchange in North Carolina.

b) Recommend that the State establish a single entity to operate the Exchange for individuals and a SHOP Exchange for small employers; and.

c) Recommend that the SBE be created as an independent, quasi-governmental non-profit entity which would have to meet ethics, open meeting and public records laws of the State.

The HBEIO Workgroup discussed, but could not reach consensus on the Board composition of the NCHBE. Because there was no consensus on Board representation, no recommendation was made to the NCGA on legislative language for this component.

The proposed SBE establishment legislation that was debated in the NCGA (H115) follows the three high level recommendations above and includes insurance industry representatives on the Board. Please refer to version 4 of H115, at http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2011&BillID=H115&submitButton=Go for details on Board composition, conflict of interest standards and Board selection process.
Without legal authority to establish an SBE for 2014, NCDHHS and NCDOI are pursuing a Federal Partnership Exchange (FPE) model that:

a) Enables the State to make its own eligibility determinations for Medicaid and Chip using the ACA and State policies, rather than have the Federally Facilitated Exchange (FFE) apply universal ACA eligibility rules disregarding NC state policies.

b) Enables the State to play a role in the selection and monitoring of Qualified Health Plans offered through the FFE, leveraging NCDOI’s current regulatory expertise through a Plan Management Federal Partnership.

c) Enables the State to ensure that its citizens get the help they need to enroll in health insurance through the Exchange, by developing and overseeing an in-person assistance program and monitoring the federal Navigator program through a Consumer Assistance program.

d) Positions the State of North Carolina to move from a FPE model to a SBE model.

STAKEHOLDER CONSULTATION

HEALTH BENEFIT EXCHANGE AND INSURANCE OVERSIGHT (HBEIO) WORKGROUP

At the request of NCDOI and NCDHHS, the North Carolina Institute of Medicine (NCIOM) convened stakeholders and other interested persons over roughly 18 months beginning in 2010 to examine the ACA and ensure that decisions the State makes in implementing the ACA serve the best interest of the State as a whole. The effort was led by an Overall Advisory Group. The HBEIO Workgroup developed recommendations on topics including Exchange model and governance structure, long-term sustainability mechanisms, Navigator and assister training and certification, role of agents and brokers in the Exchange, and evaluation of the operational Exchange. The HBEIO Workgroup was made up of 26 members with representatives of the consumer groups, State agencies, health insurance issuers, agent/broker groups, legislators, health policy academics, and provider communities. A list of the individuals on the HBEIO Workgroup is available at http://www.nciom.org/wp-content/uploads/2010/10/HIE_Member-List_9-20-11.pdf NCDOI and NCIOM have contacted members of the Eastern Band of Cherokee Indians (North Carolina’s only federally recognized tribe) to solicit their participation in the HBEIO Workgroup. The HBEIO Workgroup was funded by Exchange Planning grant and first Level I Cooperative Agreement funding. All of the HBEIO Workgroup meetings were open to the public, and were available via telephone conference call and webinar. In addition, each meeting had a public comment period so that members of the public could provide input into Workgroup deliberations. An archive of meeting dates and meeting minutes is available at: http://www.nciom.org/task-forces-and-projects/?hr-hbeandinsurance.

The ACA Workgroups created an interim final report pending a final discussion and recommendation on Medicaid expansion in NC. The interim final report is available at: http://www.nciom.org/wp-content/uploads/2012/05/Full-Report-Online-Pending.pdf. The recommendations of the Workgroup will be available to policymakers and NCHBE leaders in development of SBE establishment legislation and NCHBE policy development. Recommendations will also inform NCDOI and NCDHHS’ work to prepare for federal Partnership in 2014 and integrate with the NCHBE once it is legally established.

NCDOI MARKET REFORM TECHNICAL ADVISORY GROUP
NCDOI initiated a technical advisory group (TAG) in January 2012 to discuss new regulations pertaining to health insurance market reforms and develop recommendations for policy. The TAG is comprised of representatives of insurers, agents, academia, hospitals, providers, business and consumers who have experience or understanding in North Carolina’s health care system and marketplace. The TAG considers and makes recommendations on each issue after a review of applicable State and federal laws, relevant literature, national stakeholder recommendations, and pending or passed legislation in other states.

The purpose of the TAG is to develop options and considerations and to identify areas of consensus to develop recommendations to the NCDOI on ACA-related market reforms. The TAG was convened pursuant to S.L. 2011-391, which authorized the Commissioner of Insurance to study insurance-related provisions of the ACA and any other matters it deems necessary to successful compliance with the provisions of the ACA and related regulations. Since January 2012, the TAG has discussed issues including definition of small group in NC, definition of employee, level of choice in the SHOP Exchange, methods to level the playing field inside and outside of the Exchange and reinsurance and risk adjustment. All of these issues were addressed in a set of issue briefs developed in preparation for the 2012 regular session of the NCGA.

Beginning in summer 2012, the TAG reconvened to discuss agent/broker compensation and appointments, rating rules and essential community provider adequacy standards. Subgroups were developed to address the latter two topics and will report back to the full TAG body to inform their recommendations. All meeting presentations, meeting minutes and issue briefs are publicly available at: http://www.ncdoi.com/lh/LH_Health_Care_Reform_ACA.aspx.

SHOP FOCUS GROUPS

NCDOI engaged a contractor through NCIOM to organize and facilitate 10 focus groups around North Carolina. The focus groups were comprised of small business representatives and health insurance agents/brokers, all selected at random. Eight focus groups were targeted to small business representatives; 4 groups represented the 2-25 employee business, two groups represented 26-50 employee businesses, and two groups represented 51-100 employee businesses. Two additional groups were held with agents and brokers. The groups discussed current barriers to offering health insurance and ways that the SHOP Exchange could be designed to reduce current barriers or challenges.

Findings of the study will be provided to an Exchange Board or governing body, once established. The focus group study found that employers want some choice in plan options for their employees, but not overwhelming choice. Employer focus group participants thought that adding services beyond the federal requirements, such as COBRA and Section 125 plan administration, might be valuable to employers if these automated services lead to cost savings. The study found that employers want simplicity, transparency and value in a SHOP product.

NC FAST REQUIREMENTS INTERVIEWS

In December 2007, the State of North Carolina issued a Request for Proposals (RFP) to acquire a vendor to provide a commercial off-the-shelf (COTS) software package to replace its existing eligibility determination and case management system. As a result of that procurement, North Carolina awarded the contract to Cúram in December 2008. Two years later, Accenture was brought in as the system integrator. Beginning in February 2012, using initial Level I Grant funding, North Carolina Families Accessing Services Through Technology (NC FAST) a branch of NCDHHS, rendered consulting services from Accenture to collaboratively work with Cúram to conduct the planning effort in support of the NCHBE.

Together, the Accenture team and Cúram NC FAST HBE team, created Functional and Technical Requirements based on ACA Legislation, Center for Consumer Information and Insurance Oversight (CCIIO) and Centers for
Medicare & Medicaid Services (CMS) guidance, other State’s requirements and interviews and reviews with North Carolina stakeholders from the following organizations:

- Department of Health and Human Services (NCDHHS)
- Division of Social Services (DSS)
- Division of Medical Assistance (DMA)
- Department of Insurance (NCDOI)

The collaborative nature of creating the requirements was made in an effort to ensure that the interests of North Carolina and its citizens were best represented and accommodated.

**AD HOC AND TRIBAL CONSULTATION**

Members of NCDHHS, NCDOI and NCIOM have met with policymakers, consumer representatives, agent and broker groups, insurers and providers on an ad hoc basis in response to requests for information on the Exchange planning process. Each agency will continue to play this role as planning and establishment continues. NCDOI and NCDHHS have also initiated conversations with the Eastern Band of Cherokee Indians to discuss impacts of an SBE and the Band’s potential role. Once the SBE is legally established, NCDOI and NCDHHS will educate its governing body on correspondence with the Band to-date, and will support development of a consultation plan.

**LONG-TERM OPERATIONAL COSTS**


The operational cost estimate developed by Milliman, Inc. was updated in spring 2012 by NCDOI’s consultant PCG. Assumptions from Milliman, Inc.’s Exchange model were revised to reflect new guidance, including the required premium aggregation function for SHOP, and estimates from other states on reasonable call center workload. The analysis did not identify a specific cost estimate for an Exchange in North Carolina, but provided a range based on these revised assumptions. Cost estimates ranged from $4.2M for total administrative costs in Wyoming to $56.2M in Illinois. Per member per month cost estimates ranged from $7.95 in Illinois to $12.04 in Massachusetts, with an average of $10.60 for all states studied.

North Carolina engaged the HBEIO Workgroup to discuss options for long-term financial sustainability for an SBE. The Workgroup recommended that any new premium tax revenues raised by implementation of the ACA should be allocated to an Exchange trust fund for SBE operations and the NCHBE board should have the authority to raise additional revenues within defined parameters. To view the full Workgroup recommendation, visit the NCIOM ACA Implementation interim final report at: [http://www.nciom.org/wp-content/uploads/2012/05/Full-Report-Online-Pending.pdf](http://www.nciom.org/wp-content/uploads/2012/05/Full-Report-Online-Pending.pdf).
PROGRAM INTEGRATION

In the absence of a SBE governing body, North Carolina has an interagency advisory group, comprised of NCDOI and NCDHHS with support by NCIOM, which has met regularly over the past 18 months to discuss policy planning for the Exchange. The interagency advisory group has worked together on the following items relating to study and development of an Exchange: HBEIO Workgroup meeting agendas and content, working with stakeholders on proposed legislation, developing a preliminary evaluation plan for an SBE, coordination of the future Exchange eligibility system with the eligibility system currently being built for Medicaid, Children’s Health Insurance Program (CHIP) and other public assistance programs (NC FAST), SHOP focus groups, development of first Level I application (June 2011), CCIIO Planning and Design Reviews and Exchange Blueprint submission.

Officially, NCDOI and NCDHHS operate under an agency contract to collaborate on Exchange planning. The contract is facilitated by Level I Cooperative Agreement funds and authorized by the NCGA in S.L. 2011-391.

In preparation for open enrollment 2013, NCDOI and NCDHHS are working with U.S. HHS to establish requisite interfaces and processes to ensure smooth integration with the Federally Facilitated Exchange (FFE). NCDOI is closely monitoring the expansion of the NAIC-SERFF system, through which it will communicate with U.S. Department of Health and Human Services (U.S. HHS) for plan management. NCDHHS is working closely with U.S. HHS to identify necessary specifications for its Medicaid eligibility system to integrate with the federal Data Services Hub and FFE for data exchange. If and when an SBE is legally established in North Carolina, NCDOI and NCDHHS and any other necessary agencies will work closely with the SBE to ensure smooth integration and open communication, as applicable.

BUSINESS OPERATIONS

Since an SBE has not been legally established to-date, in-depth planning for business operations has focused on consumer assistance and plan management in preparation for a federal Partnership. Additionally, NCDHHS through NC FAST has continued to prepare to assume a role in determining eligibility under the federal Partnership.

NCDOI is continuing to develop process flows for plan management and consumer assistance. The agency recognizes that part of the flows will be dependent upon federal Partnership processes, which have not been released to-date. Preliminary business process flows have been developed for the non-eligibility functions of an SBE as part of the IT Systems RFP developed in Spring 2012. The flows were based on initial CCIIO business process blueprints released prior to final CMS Exchange guidance. Modifications may be necessary once the NCHBE is legally established.

North Carolina has completed a Planning Review with CCIIO, in April 2012, and a Design Review in October 2012.

ELIGIBILITY DETERMINATION

Initial Level I funding was used to develop high level Eligibility Functional and Technical Requirements. Eligibility requirements and processes were drafted based on ACA legislation, including [45 CFR 155,156,157 and 42 CFR 431,435,457], requirements from other states, interviews with stakeholders, as well as North Carolina policies. NC FAST has begun drafting process flows for an SBE model, and has a subset of flows for federal Partnership.

During the development of the NC FAST requirements, close attention was given to guidance provided by CCIIO and CMS. The team also participated in the Health Insurance Exchange System Wide Meeting in May
2012, and worked face to face with CCIIO in one-off sessions devoted to North Carolina’s Exchange establishment. The NC FAST Exchange team regularly attended and participated in calls and worked collaboratively with the NCDOI and our State Officer to obtain answers to specific questions pertaining to North Carolina and its proposal of the Exchange solution.

After the requirements were developed, the NC FAST Exchange team performed a Fit Gap of the requirements against the Cúram Healthcare Reform (HCR) module to identify required extensions and add-ons to the out of the box functionality.

In addition to the Eligibility requirements, the NC FAST Exchange team developed several deliverables to set the foundation for program integration between the Exchange and the existing technical and business infrastructure at NCDHHS and NC FAST. Some of the key deliverables include Project Assumptions, Interface Inventory, Deliverables List, Org Chart, Implementation Staffing Plan, Project Plan and Estimator.

Each of these deliverables took into account existing IT infrastructure, concurrent NC FAST projects, as well as current NC FAST project management tools and methodologies to provide a seamless integration with North Carolina benefiting programs.

Additionally, the NC FAST Exchange team conducted an exchange model analysis which assessed implementation activities across a SBE, a Federal Partnership Exchange (FPE) and a FFE. Out of the analysis, the NC FAST Exchange team documented key considerations, benefits and challenges. A high level cost analysis was completed, leveraging publicly available information regarding other state grant awards, population census and Medicaid population data. Conclusions of this analysis were shared with key NC FAST stakeholders and the State Secretary.

During the NC FAST Exchange planning effort, a training strategy was developed which identified the resource needs and types of training to be used for local DSS case workers, and in-person Assisters. There will be a mix of both classroom and online module based training for case workers and in-person Assisters that will support applicants applying for coverage. Training for consumers will be on the website and available through FAQs and help functionality.

ELIGIBILITY APPEALS

Using funding from the initial Level I Grant, functional requirements relating to eligibility appeals were created by the NC FAST Exchange team during the Planning Phase.

Currently, Medicaid/CHIP appeals are processed using the NC FAST solution. NC FAST planned to extend this solution to include Exchange eligibility appeals, however since North Carolina’s proposal to conduct eligibility appeals for the Exchange was not approved, the FFE will be responsible for making appeal determinations.

North Carolina will have to closely coordinate appeals processing between the federal data hub and NC FAST. Cases will need to be transferred from the federal data hub to North Carolina. Additionally, work flows will need to be developed that encompass consumers who come into a Medicaid office for help verses those that choose to appeal on line. North Carolina will look for additional guidance from CMS on specifically how this process will be executed and managed.

CONSUMER ASSISTANCE

With regard to Consumer Assistance the Smart NC Program received federal funds in Level 1 funding to establish a pilot call center which became operational on August 27, 2012. The pilot center is currently staffed by six employees, three of which are funded from the federal grant, and 1 call center supervisor. NCDOI has developed protocols and scripts to respond to consumer requests as well as developed FAQs. The
call center has received 2,774 calls during September and October relating to various issues. During this two month period, the call center assisted 427 consumers who were seeking assistance with enrolling into a health plan, assisted 74 callers with concerns relating to the ACA, and assisted consumers with information relating to their health insurance plans, provided appropriate referrals to the Consumer Assistance Program for case management and assisted with general information. The call center collects data and is reportable by county so that issues and concerns can be identified by geographic regions to assist with future outreach initiatives. In addition a Community Resource Manager position that will work with Navigators and Assisters was hired in October.

CONSUMER ASSISTANCE OPERATIONAL GAP ANALYSIS

NCDHHS APPEALS MANAGEMENT ASSESSMENT

NCDHHS and the NCDOI utilized their first Level I funding to perform a complaint and appeals mapping exercise across all NCDHHS divisions to identify gaps to a No Wrong Door, or seamless customer experience for complaints and appeals. The purpose of this assessment was to classify and map major categories of complaint/appeals handling/resolution and evaluate opportunities for coordinating NCDHHS, NCHBE, and NCDOI.

PGC collected appeals regulatory information and conducted interviews to identify processes and intersections that could potentially lead to efficiencies in developing a No Wrong Door approach for complaints and appeals. The recommendations from this analysis focused on streamlining complaint and appeals processes across NCDHHS so that interfacing with the NCHBE, once established, can be made more efficiently and effectively.

NCDHHS CUSTOMER SERVICE ASSESSMENT

As a first step in preparing for a seamless customer service experience for North Carolinians, the State assessed the technical and resource capacities of the NCDHHS customer service systems, and how those systems and resources will influence integration with the FFE and SBE. The assessment included the following analysis: Description of the current technical and operating environment at the customer contact points within NCDHHS; Projection of populations that may utilize customer contact points in the future due to Exchange enrollment and Medicaid expansion, if applicable; Discussion of NCDHHS, NCDOI, and Exchange interfacing needs; and identification of approximately 20 recommendations for North Carolina to consider to prepare NCDHHS to interface and work in conjunction with the Exchange.

PLAN MANAGEMENT

NCDOI has done significant planning to prepare for plan management functions in 2014. NCDOI engaged stakeholders through the HBEIO workgroup and Market Reform TAG (see Stakeholder Engagement above) to develop policy recommendations to the NCGA and NCHBE Board or governing entity, once established. Topics addressed by stakeholder groups included consumer/employee choice, active versus passive purchasing in the SBE, and aligning NC laws with federal law to related to the Exchange and the health insurance market.

In September 2012, NCDOI issued an RFP for consulting services to assist the NCDOI prepare for plan management in a federal Partnership for 2014. NCDOI is now in the process of contracting with its selected vendor. The consultant will perform a refined gap analysis, develop processes and procedures for plan management, and develop training for NCDOI staff. Details of the project are described below.

NCDOI has worked closely with NAIC-SERFF to monitor development of plan management functionality in SERFF. NCDOI staff have also frequently been consulted by CCHIO Plan Management staff for federal plan management specifications.
PLAN MANAGEMENT OPERATIONAL GAP ANALYSIS

NCDOI plans to assume the plan management functions as part of a federal Partnership and then continue to have a role once the SBE (NCHBE) is established and operational. NCDOI has begun an assessment of “as-is” and “to-be” processes and procedures for plan management activities based on federal definitions. The assessment involved meetings with Division heads to inform them of federal requirements and discuss whether the NCDOI would have the capacity to perform plan management, given the opportunity. Division heads worked with IEPS staff to identify capacity gaps and concluded that NCDOI may want to pursue plan management depending on the terms of the agreement with the federal Partnership or NCHBE, as applicable.

Using its first Level I funding, NCDOI is contracting with a consultant to perform a more refined operational gap analysis to assess current resource levels and future needs. As part of the contract scope of work, the consultant will assess the availability of technology to support plan management functions that will not be provided by SERFF. After assessing the “as is” state, the consultant will work with the NCDOI to develop processes and procedures for plan management functions to prepare for federal partnership in 2014.

EXCHANGE OPERATIONS EVALUATION

NCDOI engaged its consultant PCG to develop a preliminary evaluation plan for the operational SBE. The interagency advisory group and HBEIO Workgroup helped identify preliminary operational goals to serve as the basis for the evaluation plan. The seven operational goals include:

1. Increase health insurance enrollment of target populations
2. Provide effective “person-centered” approach for individuals and families
3. Provide “business-centered” approach for SHOP
4. Provide consumers and businesses choice of high-value plan options
5. Maintain the public’s trust
6. Maximize automation and the use of online systems
7. Prepare for operational readiness

PCG developed measures, metrics and a data collection strategy for measurement. The report will be available to the NCHBE governing entity once an SBE is legally established.

IT GAP ANALYSIS/ IT EXCHANGE SYSTEMS

NC FAST ELIGIBILITY SYSTEM

The NC FAST project includes electronic Medicaid/CHIP eligibility functionality including application, eligibility determination and enrollment. Additionally, NCDHHS has evaluated the feasibility of the NC FAST system serving as the eligibility engine for the Exchange and other publicly assisted health programs. The NC FAST software vendor, Cúram, has indicated that it can provide the capabilities and capacity needed to implement an Exchange eligibility module based on the requisite interfaces through the federal data hub. North Carolina plans to use Cúram to develop a multiple-service eligibility system.

OTHER EXCHANGE SYSTEMS

Using its first Level I funding, NCDOI hired seven contractors through State ITS Supplemental Staffing contracts to develop preliminary requirements and draft a request for proposals (RFP) for all non-eligibility related Exchange systems. Team members reviewed U.S. HHS' business process flows and through an iterative process were able to tailor requirements to meet NC's potential needs. The RFP developed from
requirements includes systems to support financial management, plan selection functionality, plan management, front-end portal, Navigator/assister management, call center operations, data warehousing, and SHOP eligibility and management. The systems requested through the RFP would be required to interface with NC FAST for Exchange and Medicaid eligibility. The RFP has received all necessary approvals from State agencies in order to put to bid, and the RFP will be provided to the NCHBE once it is legally established for their sign off and release.

**IT GAP ANALYSIS**

NCDHHS contracted with PCG, to perform an IT gap analysis to assess North Carolina’s IT readiness for an SBE. PCG’s full report was included in the first Level I Cooperative Agreement funding submission which included a description of existing IT infrastructure for eligibility determination for Medicaid and other public programs in the State, and recommended steps necessary to meet ACA requirements of an interoperable IT system by 2014. Once the SBE is legally established, the gap analysis will be updated to help identify system needs prior to procurement.

**REUSE, SHARING, COLLABORATION**

North Carolina Exchange planning staff is open and willing to reuse, share and collaborate on Exchange planning and implementation projects where applicable. NCDOI and NCDHHS have posted documents to CALT, where other states may leverage work that North Carolina has completed. Documents posted on this site include project management plans, work plans, CCIIO Review presentations, and Exchange Blueprint draft documentation.

NC FAST is accomplishing reuse in several ways. First, NC FAST is leveraging the technology of its Medicaid/CHIP eligibility system for the Exchange. NC FAST is using a COTS software product, Cúram, to satisfy the federal requirements of the Exchange. Cúram is being used by several other states implementing Exchanges and North Carolina is working with these states to leverage state based customizations. NC FAST is utilizing an Enterprise Service Bus (ESB) for its connections to other state based and federal systems. This allows NC FAST to utilize these connections built for previous projects to be leveraged by the Exchange.

North Carolina’s FPE creates a roadmap for states transitioning from an FFE or a FPE model to an SBE. Year one is the priority for getting Exchanges in place, but a roadmap for successful transition to a SBE needs to be created. States may not be prepared for a "big bang" approach to cutover from a Partnership or FFE model, but may be prepared for a controlled incremental approach to transition to an SBE. While “Eligibility and Enrollment” is one pillar of the Exchange, it requires a huge amount of work, co-ordination between state agencies, and a variety of technology solutions. States already have systems that determine eligibility for Medicaid and CHIP and it may be an easy incremental change for them to add the rules and policies to their state system for Exchange eligibility. Offering states the ability to take on some eligibility functions may be attractive where there are robust eligibility systems.

States leveraging an FPE model that includes eligibility determination will be able to leverage the fact that cases will begin in their eligibility solution system. As a result, fewer cases will need to be converted assuming the state transitions to an SBE in the future.

The NC FAST proposed solution will allow the Federal Exchange to reuse processes, technology, and designs that can help other states move to an SBE. Reuse here will help lower other states’ design and implementation costs.
ORGANIZATIONAL STRUCTURE

NCDOI has assumed the lead role in applying for and managing Exchange funding, and is applying for this second phase of Level I funding for Health Benefit Exchange Establishment in North Carolina. The NCDOI is responsible for implementing the insurance-related requirements of the ACA and for regulating the insurance industry in North Carolina in general. NCDOI is working in close collaboration with NCDHHS in planning for the implementation of an FPE or SBE and will continue to contract with NCDHHS to perform Exchange grant activities. Key staff from each agency participate in weekly interagency advisory group meetings on policy and IT topics.

PROGRAM INTEGRITY

North Carolina has in place substantial statutory and regulatory requirements to support administrative procedures through the State’s Department of Administration that will ensure appropriate financial management of any grant funds. Grant funds are placed in their own accounts, ensuring that these funds are utilized for grant purposes only. See Attachment C for details on activities funded by the first Level I Cooperative Agreement, and those proposed for funding under this second requested Cooperative Agreement. NCDOI administers the grant funds directly and through sub-contracts with NCDHHS and other partners. These contracts include provisions for reporting, financial management and requirements relating to changes in fund usage that must be approved in advance by NCDOI. As a State agency, NCDOI must follow written procedures of the State’s financial management system, including periodic audits by the State Auditor. NCDOI has a dedicated employee who administers the grant accounts and ensures effective financial management and compliance with all financial requirements of the grant.

AFFORDABLE CARE ACT REQUIREMENTS

HEALTH INSURANCE MARKET REFORMS

For the initial market reforms, NCDOI utilized its general authority to administer and enforce the provisions of the ACA provided to the Commissioner in N.C.G.S. § 58-2-40(10) to implement provisions of the ACA in a manner consistent with federal interpretations and guidance on product form filings submitted for prior approval, on health insurance premium rate filings as appropriate, in responding to and resolving consumer complaints, and within the State/NCDOI market regulation efforts. NCDOI expects to continue to use this general authority to enforce ACA market reforms in the future.

In preparation for the 2013 NCGA session, NCDOI is evaluating the 2014 reforms to identify and prioritize necessary related initiatives which may be included in NCDOI’s legislative package, for NCGA consideration and action this session.

RATE REVIEW

NCDOI rate review and Exchange planning activities are closely coordinated through NCDOI’s ACA implementation team. As a result of the NCDOI’s efforts under the Cycle I Health Insurance Rate Review Grant and in order to meet federal requirements and guidance, the NCGA expanded the Commissioner of Insurance’s prior approval authority over health insurance rates in North Carolina to include all small group products, in addition to his already existing authority over all individual products. As a result of this action on July 1, 2011, CCIIO determined that North Carolina has an Effective Rate Review Program for both its individual and small group health insurance markets.
NCDOI received funding under the Cycle II Health Insurance Rate Review Grant Program to further enhance its rate review program by improving efficiency and consistency in the process, developing standardized requirements, improving transparency to consumers, and developing tools and processes to help better evaluate rate filings. NCDOI’s goal was to ensure that its health insurance rate review program provides strong regulatory controls that result in premiums that are appropriate relative to the benefits provided, and that is a fair, equitable, and transparent system for both insurers and consumers.

SHOP

NCDOI has held stakeholder meetings with its TAG to discuss several issues related to the small group market, including defining the small group market, expanding the small group market, merging the individual and small group risk pools, employee choice in the SHOP, and measures to prevent self-funding in the small group market. NCDOI provided a report on several of these issues to the NCGA. Note that the NCGA did not act on the recommendations in the report during the short 2012 legislative session.

NCDOI also contracted with a research entity to hold ten focus groups with small businesses and agents/brokers to determine what services the NCHBE, would need to provide to encourage small business participation, and how best to communicate with small businesses. Key takeaways from the focus groups are described in the Stakeholder Consultation section above. The focus group report will be available to inform the NCHBE policy decisions, once it is established.

Ultimately, the approach to the SHOP will depend on policy decisions made by the NCHBE once it is established, or by the policymakers that establish the NCHBE. NCDOI does expect that the SHOP will only include small business with 1 – 50 employees in 2014 and 2015.
**PROPOSAL TO MEET PROGRAM REQUIREMENTS**

**EXCHANGE PATHWAY**

During the 2011 legislative session, the North Carolina General Assembly (NCGA) enacted legislation (S.L. 2011-391) stating its intent to establish a North Carolina Health Benefit Exchange (NCHBE). Additionally, the NCGA authorized the North Carolina Department of Insurance (NCDOI) and the North Carolina Department of Health and Human Services (NCDHHS) to "collaborate and plan" for Exchange establishment "in furtherance of the Patient Protection and Affordable Care Act." At the time of this writing, the NCHBE had not yet been legally established, thus funding is requested to support a federal partnership Exchange model (FPE) for 2014 and transition to a State-Based Exchange (SBE) model for plan year 2015 at the earliest.

North Carolina Families Accessing Services through Technology (NC FAST) program has revised the proposed solution to align with the standard FPE model. Under this arrangement, responsibilities for Exchange functionality would be as follows:

Table A: Responsibilities under standard federal partnership arrangement

<table>
<thead>
<tr>
<th>NCDHHS</th>
<th>NCDOI</th>
<th>FFE</th>
</tr>
</thead>
</table>
| • NC FAST consumer facing portal  
  • Modified Streamlined Application  
  • Integration with Federal Data Services Hub  
  • Eligibility Determination and enrollment (MAGI and non-MAGI) for Medicaid/CHIP  
  • Appeals  
  • Case Worker Training | • Plan Management Partnership activities  
  • Consumer Assistance Partnership activities | • Exchange web portal  
  • Screening  
  • Authentication & Registration  
  • Streamlined Application  
  • Eligibility Determination (MAGI) for the Exchange  
  o APTC/CSR Calculations  
  o Redeterminations  
  • Appeals  
  • Plan Enrollment  
  • SHOP  
  • Case Management for Exchange  
  • Exemptions  
  • Account Self-Services  
  • Navigator Program  
  • Call Center  
  • Financial Management  
  • Education/Outreach (with NC support) |

NCDOI is working in close collaboration with NCDHHS in planning for the implementation of a FPE or SBE in NC, with the intention of transitioning planning and implementation responsibility for SBE development to the NCHBE, once it is established. Upon establishment of the NCHBE, NCDOI and NCDHHS are expected to play a supporting role in the organization's implementation and operational activities.

NCDOI anticipates assuming the plan management and consumer assistance functions under a federal partnership, then continuing those functions for the NCHBE once established. NCDHHS anticipates assuming
a portion of the individual Exchange eligibility functions for a federal partnership, then continuing those functions for the NCHBE once established. As such, many of the activities that will be supported by the requested funding are expected to be applicable regardless of the Exchange model administered in North Carolina.

Requested funding will be used to build upon activities facilitated by NC’s Exchange Planning Grant and first Level I Cooperative Agreement. In particular, funding is requested to support the following activities at a high level:

1. NCDHHS, through NC FAST, will implement the Cúram Healthcare Reform (HCR) Module and integrate Federal data sources and existing NC FAST projects to support an Affordable Care Act (ACA) compliant FPE in North Carolina by October 1st, 2013. Subsequently, NC FAST will define functionality to be implemented to transition to a SBE.
2. NCDOI will implement and enhance plan management functions applicable under either a FPE or SBE model, and will implement an in-person assistance program, and provide support for other consumer assistance activities under a FPE and ultimately the NCHBE.

See Attachment C for a chart to differentiate the activities funded by the first Level I Cooperative Agreement, and those proposed for NC’s second Level I funding.

ORGANIZATIONAL STRUCTURE AND STAFFING

OVERALL PROJECT ORGANIZATION

NCDOI has assumed the lead role in applying for and managing Exchange funding in North Carolina, and is applying for this second phase of Level I funding for Health Insurance Exchange Establishment in North Carolina. The NCDOI is responsible for implementing the insurance-related requirements of the ACA and for regulating the insurance industry in North Carolina in general. NCDOI is working in close collaboration with NCDHHS in planning for the implementation of a FPE or SBE and will continue to contract with NCDHHS to perform Exchange grant activities. Key staff from each Department participate in weekly interagency advisory group meetings on policy and IT topics. NCDOI intends to assume the plan management and consumer assistance functions under a FPE then continued for the NCHBE. NCDHHS plans to assume components of the individual eligibility functions under an FPE, then continue providing those functions for the NCHBE. NCDOI will collaborate with NCDHHS on consumer assistance activities, to ensure seamless integration between the Exchange and Medicaid/CHIP. This organizational structure is illustrated below:
Within NCDOI, Exchange grant management and interagency Exchange planning and implementation activities are organized through the Department’s Interim Exchange Planning Section (IEPS). IEPS currently has one staff member, the Exchange coordinator, who is supported by staff in other Divisions within NCDOI, including Actuarial Services, Life & Health, and Legal. These supporting staff members are also responsible for tracking and responding to other insurance related changes under ACA. IEPS reports directly to the Chief Deputy Commissioner. The role of IEPS will expand to include coordination and oversight for Exchange plan management and market monitoring activities, including coordination with the FFE. This application includes a request to fund several positions to support these activities. See Appendices A-C for job descriptions, key staff bios and an organizational chart for NCDOI structure.

North Carolina, through NCDOI, will design an In-Person Assistance (IPA) program that represents a "hub and spokes" model with NCDOI serving as the "hub" and a variety of agencies and organizations across the state serving as the "spokes". The IPA program, established within NCDOI, will be housed in the Smart NC Division which is the consumer assistance program for North Carolina. Smart NC is under the auspices of the Ombudsman Services Group (OSG), as is the Seniors’ Health Insurance Information Program (SHIIP), and is separate and apart from NCDOI’s regulatory divisions. While the services of the Smart NC Division differ from those of the IPA Program, the programs will support one another and refer consumers to and from one another depending upon the situation or need. Previously NCDOI received Level 1 Exchange funds to support a Community Resource Manager position and two Outreach liaison positions within Smart NC. The Community Resource Manager position was hired in October, 2012 and serves as the team lead and staff contact for the IPA program and the federal Navigator program. The position is responsible for the coordination of all activities related to the IPA program from planning to implementation. The Outreach positions, which will be filled in early 2013, will have responsibilities related to outreach and education for the FPE’s individual and group options. Further, the OSG’s Senior Deputy Commissioner and Smart NC’s Director are responsible for IPA program support and leadership. The Commissioner of Insurance will maintain ultimate authority over the IPA program for the State.

NCDOI’s organizational structure for the IPA program includes Administrative Entities (AEs), IPA Coordinators (IPACs) and In-Person Assisters (IPAs). Given the short timeframe to get the IPA program operational before the October 2013 open enrollment, NCDOI plans to contract with outside entities to assist in administering the functions that involve network building and technical support of AEs, IPACs and IPAs. For purposes of this proposal these potential contractors will be referred to as the Technical Assistance Contractor (TAC), Administrative Entity Compliance Contractor (AECC), and Training Manual Development Contractor (TMDC). The key responsibilities of each are represented in the application.
The NC FAST Exchange Implementation team (NC FAST Exchange team) will be comprised of Cúram, State, and Accenture resources collaborating to design, test, and deploy the individual eligibility functions of the FPE and the SBE once established.

The overall NC FAST Exchange team structure will consist of the following components which include a Project Management team, a Systems Implementation team, a Test Team, a Technical Team, a Change Management/Training Team and an Operations & Maintenance Team.

The **Project Management team** will be a mix of primarily Accenture resources, with one State PM. Accenture and State PMs will jointly oversee the project. The **Systems Implementation Team** will be predominantly made up of Cúram and state developers, with additional support from Accenture. **Interfaces, Notifications and Reporting teams** will be made up of State and Accenture resources. The **Test Team** will consist of State and Accenture resources. Onboarding of these resources will mirror the waves of testing tied to the Cúram releases. **The Technical Team** requires the on-boarding of additional Technical subject matter experts (SMEs) to integrate with the existing NC FAST Technical Architecture team. The team will be a mix of State, Cúram and Accenture resources. **The Change Management/Training team** will be responsible for training content and delivery and will supplement the existing training work force. The team structure and implementation approach will mirror those of previous and ongoing NC FAST projects (with a larger scale). Timing will also align with Medicaid/CHIP case worker training efforts. The **Operations & Maintenance team** will be needed in support and transition once Open Enrollment commences on October 1<sup>st</sup>, 2013. This team will be primarily Accenture and State resources and their support will extend beyond the scope of this grant request.

Please see **Appendices A-C** for job descriptions, key staff bios and an organizational chart for NC FAST.
DESCRIPTION OF GRANT ACTIVITIES

ELIGIBILITY/TECHNOLOGY

NCDHHS, through NC FAST, plans to use requested funds to staff an implementation team that will analyze, design, build, test, and deploy systems to support the identified NC FAST functions of the Federal Partnership Exchange in a way that establishes a foundation for a State Based Exchange. Funding is being requested for the following activities:

1. Implement the Cúram HCR module within NC FAST
2. Integrate NC FAST with the federal data hub
3. Develop functionality within Cúram to support in-person assistance
4. Enhance the NC FAST consumer facing portal to support the FPE

The revised North Carolina Federal Partnership Exchange solution will support three primary entry channels for North Carolina citizens to the Exchange.

1. Through the federal portal
2. In Person: Through a North Carolina State Medicaid Offices
3. Through the NC FAST consumer facing portal

The diagram below provides an overview of the revised North Carolina Federal Partnership Exchange.

The table below summarizes the revised scope for North Carolina Federal Partnership Exchange:
North Carolina will pursue the development of these entry points simultaneously, so as to support ACA compliance on October 1st of 2013, as well as prepare for North Carolina’s intended transition to an SBE once legal authority has been established. For the purposes of this amendment, the term “applicant” will be synonymous with “household” and or the “authorized representative” applying on an applicant/household’s behalf.

**ENTRY: THROUGH THE FEDERAL PORTAL:**

Under this scenario, the Federal Partnership Exchange will authenticate and register the applicant and have the applicant complete the Federal Streamlined Application. The Federal Exchange will run verifications against the federal data hub and complete an eligibility assessment. If an applicant is not Medicaid/CHIP likely eligible, the Federal Partnership Exchange will calculate any applicable APTC/CSR and then allow the applicant to shop on the Exchange. For all applicants who are likely Medicaid/Chip eligible, applicants that are too close to call, applicants requesting a full determination, applicants that require a reasonable compatibility assessment and those with Non-MAGI indicators, the Federal Partnership Exchange will pass the applicants to North Carolina for a full determination. North Carolina will run a full Medicaid/CHIP determination and either enroll the applicant in Medicaid/CHIP or pass the applicant back to the Federal Exchange for Exchange eligibility determination and/or APTC and CSR calculation. North Carolina will send all Medicaid/CHIP enrollment data back to the Federal hub. Additionally, North Carolina will pass Reasonable Compatibility data back to the federal data hub to assist with providing accurate financial data to calculate the correct APTC/CSR for those that are not Medicaid/CHIP eligible. After the Federal Partnership Exchange has provided any applicable APTC/CSR to those that are eligible based on the Federal Partnership Exchange’s determination, the applicant will be able to shop for a QHP.

In order to build the solution described above, NC FAST will need to add customization to the out of the box Cúram HCR solution, build and test all functionality. Corresponding work flows and processes will include both new and those leveraged from existing functionality to determine eligibility. NC FAST plans to integrate the Cúram Healthcare Reform module with the existing Medicaid/CHIP eligibility platform to house all MAGI and Non-MAGI rules. NC FAST will need to build the appropriate interface to receive the Exchange Account Transfer (from HUB to Medicaid/CHIP) to intake the Federal Streamlined application data. Next, the data
from the Federal Streamlined Application will need to be manipulated and formatted to build the application in the NC FAST system. NC FAST will also have to assess what data is missing from the Federal Streamlined Application needed to build the application and determine eligibility using Cúram. North Carolina will need to develop a process to obtain this missing information. Case workers may have to work directly with applicants to complete verifications in Cúram before a determination is rendered; the application must be built using Cúram API. After the applicant’s Medicaid/CHIP eligibility determination is completed, the information will be passed back to the Federal Data Hub. Interfaces back to the hub will need to be created for three separate circumstances. North Carolina will send back Medicaid/CHIP enrollment information, applicants who are not Medicaid/CHIP eligible and Reasonable Compatibility data (to support APTC/CSR calculations for cases which require income data verification). With each of these transfers described above, NC FAST will have to build functionality to track send and receipt acknowledgements.

ENTRY: IN PERSON: THROUGH A NORTH CAROLINA STATE MEDICAID OFFICE

Under the North Carolina Federal Partnership Exchange, applicants have an option to enter a State Medicaid office and be pre-screened (with a short list of questions) to determine whether the applicant is likely Medicaid/CHIP eligible or likely Exchange eligible. If the applicant is not likely Medicaid/CHIP eligible based on this initial assessment or indicates he or she does not want any financial assistance, he or she will be directed to apply on-line through the Federal Partnership Exchange. If the applicant is likely Medicaid/CHIP eligible, the applicant will proceed down the traditional application process for Medicaid/CHIP. Applicants who qualify for Medicaid/CHIP will be enrolled in Medicaid/CHIP. Applicants who apply and do not qualify for Medicaid or CHIP an Exchange Account Transfer will be created and passed to the federal data hub.

As mentioned above, NC FAST will be implementing the Cúram Healthcare Reform module to integrate with the Medicaid/CHIP eligibility platform so as to house all MAGI and Non-MAGI rules. Since consumers will be applying within Cúram HCR solution, no additional steps are required with the data to build or process an application to make an eligibility determination. Integrating these rules, as well as building the corresponding Exchange Account Transfers with the federal data hub comprise the main facets of this solution.

ENTRY: THROUGH THE NC FAST PORTAL:

This portal will serve as a consumer facing tool that will be consistent with North Carolina’s long term vision of developing a SBE. Within this portal, NC FAST will be able to run high level Exchange/Medicaid/CHIP eligibility screening, enable applicants to complete an on-line North Carolina streamlined application and track their application. Case workers will manage the applicants’ applications and cases, when needed, in the integrated HCR/Medicaid/CHIP platform.

NC FAST will enhance its existing consumer facing portal (ePass) and the Cúram Healthcare Reform module to provide consumers with the ability to complete a modified streamlined application consistent with what consumers are able to do for Medicaid/CHIP.

VERIFICATIONS

NC FAST will leverage access to state systems and federal data sources to conduct verifications. NC FAST intends to implement Federal guidance for providing the Federal Data Hub with state wage and employment data as well as Medicaid/CHIP enrollment data.

The NC FAST interface architecture is a Service Oriented Framework of components which, when assembled together, facilitate real time, batch, and messaging interfaces between the NC FAST Case Management Solution and the many external systems to which it communicates. Capabilities within Cúram, IBM Message Broker, and MQ Series are utilized as part of this architecture.
The system will provide access to information or invoke transaction processing through external system interfaces using a web service interface through the Enterprise Service Bus (ESB). The ESB/web service interface will be used to provide access from external system access channels (e.g., Federal Data Hub, IVR, County based systems, etc.).

The current implementation includes pre-packaged services for core processes and the ability to produce or consume web services in industry-standard web services description language (WSDL) as part of any delivered process, enables incremental modernization in a service-oriented architecture (SOA) and ensures the maximum re-use of valuable legacy and enterprise level assets.

Pre-defined adapters for Enterprise Resource Planning (ERP) applications, Enterprise Application Integration (EAI) Connectors and support for IBM WebSphere™ MQ messaging ensure the Cúram Business Application Suite can integrate seamlessly in a heterogeneous agency environment. The software includes critical security and auditing components that delivers comprehensive security including role-based, function-based, field-level, product-based (benefit), location-based and sensitivity-based security.

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**ELIGIBILITY DETERMINATION**

North Carolina assumes that the FFE will handle the eligibility determinations for SHOP.

The business requirements and processes for eligibility determination are similar for Medicaid/CHIP as for a QHP. NC FAST already provides eligibility determinations for non-MAGI based Medicaid/CHIP. The addition of MAGI based Medicaid/CHIP is simply a new means of calculation. North Carolina will then extend and customize the module to cater for state options and policies.

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**ELIGIBILITY DATA**

NC FAST will be the system of record for Medicaid and CHIP in North Carolina. NC FAST will provide functionality for eligibility, applicant information and enrollment information. Exchange eligibility determinations will be an extension of this system. North Carolina will extend the functionality to work in the FPE model. Information will be passed from the FFE to North Carolina, and then after eligibility determination, information will be passed back to the FFE. Additionally information about Medicaid/CHIP enrollment will be passed from NC FAST to the FFE as necessary.

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**MEDICAID/CHIP COORDINATION**

The NC Division of Medical Assistance (DMA) has been working with the NC FAST program for several years on the design of the Medicaid/CHIP portion of the NC FAST system. NC FAST works closely with the Chief of the Medicaid Eligibility Unit and has Medicaid experts on-site as Subject Matter Experts for the NC FAST team. Along with the on-going NC FAST program, the NC FAST Exchange team, comprised of several Accenture and Cúram resources, met with several members of the DMA to gather requirements for the Exchange. Additionally, the NC FAST Exchange team continues to work closely with the state Medicaid experts. The NC FAST Exchange team and Medicaid SMEs meet jointly for the CMS calls, the State Medicaid calls and Eligibility related CCIIO calls.

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**ELIGIBILITY DESIGN AND TEST PLAN**

NC FAST is designing and extending the eligibility solution based on the Cúram Software Healthcare Reform (HCR) module. The design and extension is based on the installed COTS software module. North Carolina will extend the solution to meet State rules and policies whether NC has an SBE or FPE.
Test scenarios for existing Medicaid/CHIP eligibility and enrollment processes exist as part of the NC FAST project. Scenarios will be extended to contain both MAGI and Non-MAGI eligible categories to confirm rules are working as designed. NC FAST will also be utilizing the federally provided test scenarios for testing of the federal data hub.

ELIGIBILITY DETERMINATIONS FOR EXCHANGE PARTICIPATION, ADVANCE PAYMENT OF PREMIUM TAX CREDITS, COST-SHARING REDUCTIONS, AND MEDICAID

The Federal Exchange will provide all APTC and CSR calculations. NC FAST will provide supporting data in cases of Reasonable Compatibility as needed.

NOTICES

NC FAST will be responsible for Medicaid and CHIP notifications. The FFE will be responsible for all participant(s) data matching and annual redetermination, as well as response processing and notices exclusively for QHP. SHOP notices for employers and employees will be supported by the Federal process.

In North Carolina, Medicaid/CHIP notifications are handled in the NC FAST solution. NC FAST utilizes a combination of the Cúram Business Application Suite, a COTS and a custom solution to implement this functionality.

The NC FAST solution implements two different approaches to support the business needs. The first is Pro Forma Correspondence, which is utilized for standard forms and notifications that require no customization. The second gives the case worker the ability to customize the notification utilizing an NC FAST developed solution.

PRO FORMA CORRESPONDENCE

Pro Forma correspondence can be generated on request and previewed or printed without modification by users. Cúram extracts pre-defined information from the system (such as client name and address) and merges it with predefined XSLT templates by an XML server. The XML server will generate the correspondence in PDF format for viewing and printing.

CUSTOMIZABLE CORRESPONDENCE

The content on some correspondence types can or must be customized by workers. To enable customization of correspondence, the NC FAST system will integrate a server side WYSIWYG XML editor. The NC FAST project utilizes the Altova Authentic XML editor to perform this function. The XML editor will be integrated to present a merged version of Cúram data and the correspondence template to the user. The merged document has editable fields allowing only the authorized parts of the correspondence to be modified. After editing the correspondence, users perform a save that saves the updated XML data used for a correspondence.

Since the solution is based on creating templates (.XSLT and .SPS) for the notices, templates can be created in multiple languages which will provide the functionality to generate notices in multiple languages.

The NC FAST solution will enable the Exchange, State or federal, to send notices, in alternate formats and multiple languages.

APPLICATIONS OF APPEALS OF ELIGIBILITY DETERMINATIONS

The ACA calls for multiple access points for seamless eligibility and enrollment for public coverage
(Medicaid, CHIP) and publicly subsidized Exchange coverage—so called No Wrong Door. This same concept could also apply to individuals’ complaints and appeals for all products offered through the No Wrong Door. The interagency advisory group will enlist all the likely parties that may be involved in such complaint and appeals handling and resolutions in a unified effort to:

- Classify and map major categories of complaint/appeals handling/resolution
- Evaluate opportunities for coordinating, expediting, avoiding redundancy
- Establish a mechanism for tracking

NCDHHS, NCDOI, Cúram and Accenture resources will work on incorporating these policy decisions into the business and systems requirements for Exchange business operations.

Medicaid/CHIP eligibility appeals will be managed within NC FAST. Exchange eligibility appeals will be managed on the Federal Exchange. Appeals for employers and employees will be directed to the federal appeals process and will be supported by the federal SHOP solution.

In North Carolina, Medicaid/CHIP appeals are already handled in the NC FAST solution. Currently, individuals wishing to appeal a decision initiate an appeal in a county office. A county case worker enters the necessary information into the NC FAST system, creating an appeal case. Individuals have the right to request a petition for a case review related to eligibility determination decisions.

The NC FAST appeals solution will provide comprehensive support for appeals and legal action processes. It will support intake, hearings, and decision making activities associated with multiple levels of appeals. It will also allow for the addition of appellants who are not directly associated with an existing application, product delivery or issue case to an appeal case. This allows additional participants with an interest in the appeal to be included in the hearing held for the appeal case.

In summary, NC FAST will house Medicaid/CHIP appeals and the Federal Exchange will address APTC/CSR and Exchange eligibility appeals as well as appeals for employers and employees as part of the SHOP process.

CONSUMER ASSISTANCE

IN-PERSON ASSISTANCE PROGRAM (IPA)

The North Carolina Department of Insurance (NCDOI) is proud of its track record for assisting consumers and is wholeheartedly committed to the development of an In-Person Assistance (IPA) program where consumers in North Carolina can turn to for assistance and rely upon when faced with questions related to the Federal Partnership Exchange (FPE) and NCHBE options, as applicable. NCDOI plans to utilize the experience and expertise of its Seniors’ Health Insurance Information Program (SHIIP) and the Health Insurance Smart NC (Smart NC) Division to build the IPA program and will use best practices as a template for early program design. The NCDOI is well equipped to design an IPA program due to its experience in consumer services and partnership building as a result of its 25 year SHIIP experience. The NCDOI SHIIP Division has worked closely with the Centers for Medicare and Medicaid Services (CMS) since 1991 in providing health insurance information, counseling and assistance to Medicare beneficiaries in the state. As a result of this relationship NCDOI has significant experience with health insurance counselor certification, monitoring of counselor activities, ongoing training and education, enrollment efforts, statewide outreach and partnership/coalition building as well as coordination with key County and State offices including the State Medicaid office and the county Departments of Social Services. Currently NCDOI manages a statewide volunteer network of 922 volunteer counselors, coordinated by 116 various local agencies and organizations, therefore NCDOI is confident in its ability to build an effective counseling program for consumers shopping in the FPE. NCDOI will strive to build a robust consumer assistance network in anticipation of the October 2013 open
enrollment realizing that strong consumer support is essential to the success of the FPE in the first year and for an SBE in the future.

NCDOI requests funds to design an IPA program that possesses similar goals, objectives, and standards as that of the federal Navigator program set forth in 45 CFR 155.210, 155.220, and 155.260. NCDOI will be responsible for all components of the IPA program which includes administrative structure, eligibility criteria, conflict of interest and ethical standards, training and certification, network development, outreach and education, and reporting and evaluation. Each component is critical to the IPA program and is discussed in more detail throughout this application. Therefore NCDOI will request federal funds sufficient to develop an IPA program adequate to serve the needs of consumers in North Carolina.

MISSION

The mission of North Carolina’s IPA program is to develop a health insurance counseling, education and assistance program for persons in the state who currently cannot obtain or afford health insurance coverage. North Carolina will create an IPA program, administered by the NCDOI in partnership with other State Agencies (including the NCDHHS) and non-profit entities, to leverage existing collaborative networks across the state to provide a No Wrong Door system for consumer assistance. Current statistics project there will be approximately 1.5 million uninsured individuals under the age of 65 in North Carolina in 2014. NCDOI faces the challenge of creating an IPA program that will encourage consumers to seek and ultimately enroll in an available health insurance option. This will include the vulnerable populations of uninsured, medically uninsurable, low-income, minorities, children and small employers. North Carolina’s IPA program goals will be designed to mirror the Federal Navigator program wherein the In-Person Assisters (IPAs) will be expected to follow the same guiding principles as Navigators and will place a strong emphasis on conflict of interest and ethical standards.

NCDOI

NCDOI will serve as the key agency to develop and administer the IPA program in the state. The key responsibilities of the agency are as follows:

- Develop an IPA program that provides free unbiased and factual health insurance information regarding the FPE to North Carolinians or other persons in need of such information in our State;
- Develop the “North Carolina Administrative Entity and In Person Assister Policy and Operations Handbook” outlining all expectations and requirements of the program;
- Identify potential Administrative Entities who are existing agencies and organizations serving similar target populations in communities across the State;
- Hire NCDOI staff to assure the goals and objectives of the IPA program are being met and in compliance with federal expectations;
- Provide reports to CCIIO in a timely manner and consistent with grant requirements;
- Provide oversight and monitoring of the statewide IPA program including all contractors;
- Conduct audits of the AECC;
- Train and certify IPAs that can provide one-on-one counseling on the FPE through a statewide network of AEs;
- Serve as the clearinghouse for federal and state-specific publications relative to the FPE and the availability of Qualified Health Plans (QHPs) offered through the FPE; and
- Establish a link between FPE call center and NCDOI’s Smart NC and the DHHS’s State Medicaid offices promoting the no wrong door principle for consumers;
- Provide outreach and education to consumers by addressing community and employee groups and participating in health fairs and forums;
- Offer information about the FPE via the Internet and promote the use of the federal web portal for the FPE;
- Reserve the right to terminate contracts with AEs and relationships with IPAs not in compliance with State guidelines.
ADMINISTRATIVE ENTITIES (AES)

NCDOI will request funds to contract with key agencies or entities in the community that will serve as AEs who will provide a statewide network of IPAs to assist North Carolinians with eligibility determination and open enrollment activities through the FPE beginning October 1, 2013. NCDOI recognizes the importance of partnering with known and trusted AEs who can minimize barriers to consumers seeking to enroll in coverage and to provide the needed assistance as they transition into the new health insurance market place. NCDOI will leverage state and federal resources to begin the establishment of the AEs and will work with a broad range of state and local partners including Collaborative Networks that support locally driven, coordinated systems of health services and health improvements for underserved populations. These particular networks are comprised of various entities who act independently but work together by integrating medical, preventive, community, social and economic resources to achieve common goals through a coordinated system of care. They support a shared commitment to improving the health of the underserved. NCDOI engaged these entities in a focus group discussion and they have expressed interest in serving as AEs. However, NCDOI plans to contract with approximately 30 AEs with existing infrastructure statewide that have expertise in the needs of underserved and vulnerable populations. NCDOI expects these "spokes" will reflect the cultural and linguistic diversity of the community and result in successful partnerships of the consumers being served. The Administrative Entities will:

- Recruit onsite certified IPA’s to perform education, eligibility and enrollment services for consumers beginning October 1, 2013;
- Provide adequate work space and privacy for IPAs to meet with consumers to provide eligibility and enrollment services to facilitate selection of a QHP or other state agency program;
- Ensure IPs are available Monday through Friday from 8:00A.M. to 5:00P.M. as well as evening hours through 8:00P.M. twice weekly between October 1, 2013 – March 31, 2014;
- Provide telephone service and computer equipment including high speed internet service for IPA use and will ensure its availability for every IPA during their work time;
- Appoint an individual to serve as an IPA Coordinator (IPAC) to manage the IPA Program within the AE and supervise the IPAs within their local communities;
- Communicate up-to-date contact information for the AE, IPAC and IPAs to the Technical Assistance Coordinator (TAC) as soon as they occur;
- Provide interpreter and translation services for consumers through a contracted vendor adhering to the Federal requirements for Culturally and Linguistically Appropriate Service (CLAS) standards;
- Conduct public education activities to educate the public about coverage offered through the FPE;
- Allow NCDOI to promote the agency name, address, phone number and website; and
- Ensure the confidentiality of consumer information and records;
- Monitor IPA activity for adherence to the Code of Conduct attestation form requirements; and
- Monitor IPA activity to prevent, minimize and mitigate any conflicts of interest, financial or otherwise, that may exist and to ensure that anyone who functions as an IPA has appropriate integrity.

IN-PERSON ASSISTER COORDINATOR (IPAC)

Administrative Entities (AEs) will be required to designate an individual to serve as the In-Person Assister coordinator (IPAC). IPACs will function not only as a local support and resource to the IPAs, but serve as a liaison between the IPAs, AEs, TAC and NCDOI. The In-Person Assister Coordinator (IPACs) will:

- Provide local support to the IPAs under the AEs supervision;
- Interview prospective IPAs for suitability and determine whether or not they meet the participation requirements discussed later;
- Contact references of all prospective IPAs to determine program eligibility;
- Notify the Community Resource Manager after program eligibility determination is complete;
• Ensure that IPAs under their supervision sign the Code of Conduct attestation form;
• Ensure that IPAs under their supervision sign the Conflict of Interest attestation form;
• Ensure all IPAs under their supervision maintain expertise in eligibility, enrollment, and program specifications in order to assist individuals, families, and businesses with decisions regarding the FPE;
• Ensure IPAs participate in quarterly program updates and other forms of ongoing continuing education;
• Disseminate all IPA Program updates from the TAC or NCDOI to the IPAs under the AEs supervision;
• Monitor IPAs communication to consumers to ensure that the information and services are provided in a fair, accurate and impartial manner;
• Ensure that IPA’s are knowledgeable of the State’s health insurance consumer assistance program at the NCDOI, Health Insurance Smart NC (Smart NC), and that IPA’s provide referrals to Smart NC for any enrollee with a grievance, complaint or question regarding their health plan, coverage or a determination under such plan or coverage;
• Maintain an updated list of all active IPAs in their community;
• Maintain a log of referrals made to IPAs including when the referral was made and follow-up to ensure the consumer was assisted in a timely manner;
• Make periodic assessments of IPAs activities and capabilities and report issues to the AE and Community Resource Manager;
• Conduct public education activities to raise awareness about the FPE and the full range of health insurance coverage options;
• Maintain expertise in eligibility, enrollment, and program specifications;
• Provide information and services in a fair, accurate, and impartial manner. Such information must acknowledge other human services programs;
• Assist individuals with eligibility and enrollment into qualified health plans;
• Provide referrals to Smart NC for any enrollee with a grievance, complaint or question regarding their health plan, coverage or a determination under such plan or coverage;
• Provide information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the Exchange, including individuals with limited English proficiency, and ensure accessibility and usability of IPA services by individuals with disabilities;
• Provide minimum number of hours of service per calendar year TBA to include training, counseling, enrollment assistance and outreach activities;
• Adhere to continuing education requirements including Train the Trainer workshops conducted by the TAC and other forms of ongoing continuing education; and
• Submit all counseling and FPE outreach activity data into the Federal reporting system including but not limited to date, length of time and subject matter.

IN-PERSON ASSISTERS (IPAS)

NCDOI understands that IPAs will play a critical role in decreasing the number of uninsured and underinsured individuals in our state therefore NCDOI anticipates recruiting and certifying approximately 583 full-time equivalent IPAs in the first year. All certified IPAs will be linked with an AE and IPAC in their local community. The key responsibilities of the IPAs will mirror the duties and competencies of the Federal Navigator Program. Therefore, IPAs will be expected to at a minimum execute the six major responsibilities noted by the Federal Navigator Program. The In-Person Assistants will:

• Conduct public education activities to raise awareness about the FPE and the full range of health insurance coverage options;
• Maintain expertise in eligibility, enrollment, and program specifications;
• Provide information and services in a fair, accurate, and impartial manner. Such information must acknowledge other human services programs;
• Assist individuals with eligibility and enrollment into qualified health plans;
• Provide referrals to Smart NC for any enrollee with a grievance, complaint or question regarding their health plan, coverage or a determination under such plan or coverage;
• Provide information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the Exchange, including individuals with limited English proficiency, and ensure accessibility and usability of IPA services by individuals with disabilities;
• Provide minimum number of hours of volunteer service per calendar year TBA to include training, counseling, enrollment assistance and outreach activities;
• Adhere to continuing education requirements including Train the Trainer workshops conducted by the TAC and other forms of ongoing continuing education; and
• Submit all counseling and FPE outreach activity data into the Federal reporting system including but not limited to date, length of time and subject matter.

IPA STAFF DISMISSAL

NCDOI maintains the right to dismiss any member of the IPA staff including IPACs who do not participate in the IPA program in accordance with the responsibilities of the IPA. Justifiable causes for dismissal include, but are not limited to an IPA:

• An IPA receiving compensation of any kind from health insurance issuers for enrolling individuals in health insurance plans including both QHPs and plans sold outside the FPE;
• An IPA providing opinions, both positive and negative, on any health insurance issuer, product, plan or anything related to the health insurance arena;
• An IPA steering a consumer to any particular company and/or plan offered within the FPE;
• An IPA refusing to provide adequate IPA services or create a discriminatory environment based on gender, race, nationality, color, age, disability, religion, creed or sexual orientation;
• An IPA representing the IPA Program in an unfavorable or unprofessional manner;
• An IPA failing to attend training workshops and other mandatory continuing education requirements;
• An IPA consistently providing inaccurate and/or outdated information to NC consumers as it may result in insufficient insurance coverage for the consumer;
• An IPA failing to submit FPE counseling and outreach activity data in a timely manner or adhering to the reporting requirements set forth by the FPE; and
• An IPA falsifying any information including but not limited to documents and reports associated with the FPE.

NCDOI will work closely with the TAC, AEs and IPACs with all matters regarding disciplinary action. A thorough investigation of the matter will be conducted by NCDOI prior to formal action being taken wherein insight from the TAC, AE and IPAC will be taken into consideration.

TECHNICAL ASSISTANCE CONTRACTOR (TAC)

NCDOI will contract with an organization to serve as an extension of the NCDOI acting as the statewide Technical Assistance Resource Center for the IPA program. The NCDOI plans to train and certify Assisters across the state however the Technical Assistance Contractor (TAC) will be responsible for ongoing training and support of the regional sites. The key responsibilities of the TAC include the following:

• Support NCDOI with IPA program development;
• Build community capacity to link uninsured and special populations to AEs and IPAs;
• Recruit, manage and monitor the Administrative Entities (AEs) across NC. (Optimal number of sites to be determined however budget is based on 30 sites);
• Investigate any complaints regarding the performance of an IPAC or IPA and submit resolution to NCDOI;
• Provide continuing education training at the AE sites on a regular basis through in person training, webinars and annual meetings/conferences e.g. at least quarterly;
Collaborate with AE Compliance Contractor with grant/contract oversight and monitoring as appropriate;
Coordinate data collection and reporting with the AEs and submit quarterly reports to NCDOI;
Develop “Knowledge Bank” of Resources, Best Practices and Lessons Learned;
Encourage outreach and education efforts in AE communities; and
Analysis of effectiveness and adequacy of IPAs in given geographic region and development of strategies to meet goals.

ADMINISTRATIVE ENTITY COMPLIANCE CONTRACTOR (AECC)

The role of the AECC is to oversee the contracts between the NCDOI and each of the AEs to make sure the terms of the contract are in compliance with state and federal requirements. The AEs will be expected to comply with specific deliverables in their contract therefore ongoing monitoring is necessary. NCDOI will outsource this function with a contractor well suited to perform grant compliance and monitoring activities. It is important to note that the IPA program model is structured so that the contractors hired to perform key duties will have very distinct, clear duties recognized by the NCDOI, AEs and IPAs. For instance the AECC will provide technical assistance to AEs regarding budgeting and auditing measures while the TAC will focus on the continuing education, network adequacy and IPA effectiveness. It is important for there to be a separate entity that is in charge of auditing from the one providing technical assistance. The key responsibilities of the AECC are as follows:

- Oversee contracts between the NCDOI and the AEs;
- Oversee requests for use of federal dollars in draw down per contractor;
- Train AEs on contract compliance such as invoicing for services;
- Approval for invoices provided for use of grant funds;
- Conduct audits of each AEs once a year; and
- Respond to complaints regarding operation of AEs.

TRAINING MANUAL DEVELOPMENT CONTRACTOR

NCDOI understands the importance of a robust training curriculum to overall program success and effectiveness, as learned through the experience of training and certification of SHIIP counselors for many years. Also because the subject matter is new and complex, there is a need to plan for sufficient training time in the field. Therefore NCDOI will request funds to hire a professional contractor to develop the IPA training manual including modules and information on the SHOP. This will enable NCDOI to implement the training process in the State as soon as possible leading up to October 2013. The contractor will be responsible for the following tasks:

- Develop content of training modules on key areas of FPE identified by NCDOI staff (See Attachment E);
- Coordinate focus groups comprised of stakeholders representing insurance agents, consumer advocates and others to review and make comments on content of manual; and
- Submit completed modules by April, 2013 to NCDOI.

ELIGIBILITY CRITERIA

The eligibility criteria for the IPA program will be similar to the Navigator program eligibility defined in Federal regulations, therefore Assisters will be recruited from community and consumer focused nonprofit groups as well as from other categories outlined in the federal law. Since the federal regulations allow for agents and brokers to serve as Navigators, so will be the case of IPAs in our State. However agents and brokers who become IPAs will not be allowed to receive compensation from the insurer. According to the agent community in our State it is unlikely many will choose to work as IPAs despite the opportunity.

NCDOI will develop a job application that must be filled out and submitted by an individual interested in becoming an IPA. The application will ask for general information related to the candidate including previous
work history and references. In addition, IPAs must demonstrate several requirements before being accepted into the IPA program. They must:

- have the ability to get along well with others;
- have a sensitive and caring attitude;
- have the willingness to learn and ability to retain information relevant to health insurance provisions;
- willing to provide unbiased, factual assistance,
- have good written and oral communication skills; and
- possess strong computer literacy skills.

It is critical for IPAs to meet these requirements as they will enhance the overall counselor-client relationship. The AEs will be responsible to assist the IPACs in recruiting IPAs that match these criteria. Once potential IPAs are accepted, they are allowed to register for the IPA program certification.

CONFLICT OF INTEREST AND ETHICAL STANDARDS

Over the last 18 months, stakeholders in North Carolina have been engaged in defining the role of potential Navigators, now IPAs and identifying likely participants—including hospitals and safety net providers. NCDOI understands that these groups will play an important role in helping the uninsured enroll in appropriate health plans. Concerns have been raised in regard to what safeguards NCDOI will implement to ensure IPAs housed within these groups will not steer consumers to any particular company and/or plan offered within the FPE. For purposes of the first year of open enrollment NCDOI will not consider employees of medical providers eligible for IPA certification but will revisit this issue in the future. However NCDOI will allow IPAs to work within these settings that have no affiliation with the specific provider in which the work is being done. For example IPAs would be encouraged to work with local hospitals who will allow them to be stationed in the lobby or other areas of the facility but the IPA would not be an employee of the hospital.

NCDOI will enforce strict Conflict of Interest standards for its IPA program as it currently does with SHIIP. SHIIP submits data concerning counseling and outreach activities into the SHIP National Performance Reporting (NPR) system which generates summary reports based on the information submitted by the volunteer counselors within the state. NCDOI anticipates the database developed for the FPE will contain similar reporting requirements for the Navigators and will plan to use this system for IPAs. NCDOI’s Community Resource Manager will review the summary reports to monitor IPA enrollment activities and address any concerns regarding conflicts of interest with the appropriate AE.

The AEs will be required to ensure all IPAs under their supervision sign a “Conflict of Interest Attestation “ form and will monitor IPA activity to prevent, minimize, and alleviate any conflicts of interest. IPAs will be required to introduce and explain the details included in the form with the consumer and obtain the consumer’s signature verifying the form was reviewed. The TAC will work with the AEs in assuring the IPAs are appropriately placed in settings that would not be conducive to potential conflicts. AEs may rotate IPAs in a given community to further avoid any conflicts.

NCDOI regards the work of the IPAs to be very important to the overall success of the FPE and will require strict adherence to the Program’s ethical standards. The ethical standards established for the IPA Program and its IPACs require that the IPA will:

- Treat each consumer with respect, acceptance and dignity;
- Not knowingly misrepresent applicant eligibility information;
- Not knowingly misrepresent his or her capability to act as an IPA nor fail to comply with certification standards;
- Protect the client’s right to privacy and confidentiality regarding health and income status;
- Will protect the integrity safety and security of any client records in compliance with all state and Federal laws;
Will provide services without discrimination or preference based on age, ethnicity, culture, race
disability, gender, religion, or socioeconomic status;
Will respect individuals and groups, their cultures and beliefs; and
Will act with integrity, honesty, and objectivity.

TRAINING AND CERTIFICATION – INITIAL TRAINING

Given the magnitude of this initiative and the short timeframe in which to implement, North Carolina believes it is prudent to develop a state-specific online training program for the IPAs. NCDOI identified key areas of the FPE in which IPAs will be trained and tested. NCDOI plans to engage a Training Manual Development Coordinator (TMDC) to develop the IPA training manual content using the key areas identified by NCDOI as well as information on the SHOP. See Attachment E. NCDOI anticipates that the TMDC will begin development of the training manual at the beginning of the grant period with a projected delivery date of April, 2013. Upon approval of the training manual, NCDOI will work with SHIIP as it currently owns and utilizes software to establish an online web-based training program. NCDOI will request federal funds for additional licenses and technical support. The Community Resource Manager will be responsible for publishing the online training curriculum and competency exams on web-based software. NCDOI will require IPAs successfully complete and pass the online training program. Further, IPAs will also be required to successfully complete the FFE Navigator training/certification once it is available.

The AEs will identify and recruit individuals who are equipped to serve populations with barriers to coverage to serve as prospective IPAs. IPACs will be responsible for determining if the prospective IPA meets the eligibility standards previously discussed. If the prospective IPA meets the eligibility standards, they will be required to complete a job application and provide employment references to the IPAC in their local community. The IPAC will contact the provided references and forward the application to NCDOI for final approval.

NCDOI recognizes that consumers seeking assistance with the FPE will look to the IPAs as a trusted source. Therefore, NCDOI will require all prospective IPAs submit to an employment background check. Not only will this provide consumers with peace of mind, we anticipate it will increase new hire quality. The Community Resource Manager will complete the employment background check upon receipt of the prospective IPAs job application. The Community Resource Manager will notify the individual of the results upon receipt via email communication. If the response is favorable, the Community Resource Manager will proceed with the training registration process. If the response is unfavorable, the Community Resource Manager will notify the individual in writing that they did not pass the employment background check and are not eligible to serve as a certified IPA.

NCDOI will send a hard copy training manual and resource packet via U.S. Mail to those individuals who pass the employment background check. NCDOI has received Level 1 funds to print the training manual. However, NCDOI will request funds additional to support packing materials and postage costs associated with this task. Upon receipt of the materials, the prospective IPA will be expected to contact the Community Resource Manager to initiate the registration into the web-based training program. Prospective IPAs will be registered using the email address provided on the job description and will be notified of the registration via email communication. Prospective IPAs will be expected to complete the online training within two weeks of registration. However, the Community Resource Manager has the authority to approve extensions should unforeseen circumstances arise. The web-based online training can be accessed through any computer that utilizes high-speed internet and is available 24/7 which offers flexibility to the individual user. A short test will be given after each lesson and will only include questions pertaining to the subject matter discussed. In addition, a final test will be given at the conclusion of the training and will include questions for the subject matters discussed in all of the lessons.

Upon successful completion of the initial training and a passing grade of 85% or higher, the Community Resource Manager will notify the IPA, IPAC, AE and TAC via email communication. IPAs will receive a signed
certificate of completion by the NC Commissioner of Insurance and an IPA badge. Issuance of the signed certificate will denote IPA certification. In addition, all IPAs will be issued an IPA Unique ID through the Centers for Medicare and Medicaid Services (CMS). NCDOI anticipates the IPA Unique ID system will be similar to the Unique ID system that is currently utilized by the SHIIP network.

CONTINUING EDUCATION

Because of the subject matter complexities and anticipated changes associated with establishing the FPE, NCDOI recognizes the importance of providing the IPAs with the most up-to-date information through a variety of ways including newsletters, conference calls, webinars and in-person training. IPAs will be required to be current on all aspects of the FPE to ensure the information they provide to consumers is accurate and up-to-date.

While the initial training will be offered online, NCDOI understands that face-to-face training is critical to the overall development and success of the IPAs. NCDOI will utilize the existing infrastructure of the TAC to provide continual technical assistance to the AEs, IPACs and IPAs ensuring uniformity and consistency in the information provided across the state. While NCDOI will identify and develop the continuing education curriculum, the trainings will be facilitated by the TAC with a minimum of four Train the Trainer workshops on an annual basis. IPAs will be required to attend these trainings and IPA participation will be tracked by IPACs through a sign-in roster. IPA attendance is critical and not fulfilling this requirement will be grounds for IPA termination.

The Community Resource Manager will be responsible for maintaining the training records for all certified IPAs. NCDOI plans to leverage SHIIP’s existing internal database to support this function.

RECERTIFICATION

NCDOI will review all certified IPAs on an annual basis to ensure that the individual continue to adhere to the IPA eligibility standards and will be required to complete an updated attestation form.

AGENTS/BROKERS

The NC IPA program will permit agents and brokers to become licensed IPAs with the understanding that they will not be able to receive compensation from insurers in this role. NCDOI has communicated with agents and brokers across the state through conference calls, meetings and forums to discuss their role within the FPE and determined it is unlikely large numbers of licensed agents and brokers will be interested in serving as IPAs. Therefore, NCDOI plans to utilize the development of the training manual for agents and brokers for the SHOP as a continuing education course. Upon receipt from the TMDC, NCDOI’s Agent Services Division (ASD) will review and vet the SHOP training modules and determine the appropriate number of CE credits. The minimum training CE course will be made available to any CE provider interested in being an approved provider for the NCHBE certification. The ASD currently contracts with a vendor for the administration of its continuing education program. NCDOI can modify the business rules of the ASD’s existing contract and request the addition of a subset specific to the NCHBE certification. Therefore, NCDOI will not request federal funds to support any terms of the contract. Further, CE contractor will create and run reports specific to the NCHBE certification including the names of the agents and brokers who have completed the continuing education course for NCDOI. Agents and brokers who successfully complete the NCHBE continuing education course will receive the designation of an “NCSHOP Specialist” and will receive NCSHOP Specialist plaque badge from NCDOI.

In addition, these agents and brokers have agreed with the concept of creating a Speakers Bureaus with representatives from the various agent associations to engage individuals and small employers across the state. Therefore, NCDOI will request funds for printing materials and travel reimbursement for work done as a speaker.

NETWORK DEVELOPMENT
NCDOI plans to partner with other State agencies in the development of the IPA Program including the Department of Health and Human Services, Division of Medical Assistance, NC Health Choice (CHIP), and Office of Rural Health and Community Care. NCDOI will leverage State and federal resources to begin the development of the IPA program and will work to build a program with the capacity to provide a No Wrong Door system for consumer assistance. Currently NCDOI is engaged in discussions with Collaborative Networks across the state that support locally driven, coordinated systems of health services and health improvement for underserved residents. These local systems are comprised of multiple local partners who integrate medical, preventative, community, social and economic resources to achieve collective outcomes through a coordinated system of care. The networks have a shared vision purpose and objectives aligned to improve the health of the underserved. NCDOI’s IPA Program Model may include Collaborative Networks as potential AEs to assure there are IPAs within these entities available to assist uninsured and underserved persons through urban and real communities of the State. As the IPA develops NCDOI will detail partnerships as well as formalize responsibilities by written agreement similar to contracts used between SHIIP and its 116 partnering entities. Network development is ongoing and NCDOI proposes there will be 30 AEs identified in the first year of the FPE.

OUTREACH AND EDUCATION

NCDOI will be the lead agency to manage and monitor outreach and education efforts to educate North Carolinians on the health insurance options available in the FPE and the availability of IPAs. NCDOI will request funds to initiate statewide media campaigns informing citizens of the FPE and how they can receive help through a national hotline, a web portal or though IPAs located across the state. The methods used are from SHIIP’s best practices with a focus on a larger and different audience. Recognizing the importance of finding ways to communicate effectively with diverse, and often vulnerable, groups of individuals, NCDOI will develop education strategies to meet the needs of the various consumers that may be shopping in the FPE. For example NCDOI proposes funds to advertise the FPE to local college sports networks with the potential to reach over 2 million fans in the State with a broad cross section of age and socioeconomic backgrounds. The proposed campaigns will include radio, web ads, TV, billboards and print ads. In addition the strategies will include enhancement of the NCDOI website, use of Facebook, direct mailings and Train-the-Trainer workshops. Further, the grant funds requested will be used to launch statewide messaging provided by the federal government as well as for print of federal brochures, fact sheets, tip sheets and tool kits that will assist consumers in getting the help they need. NCDOI expects to receive proofs of outreach materials from the federal government that will be reprinted and distributed to appropriate agencies and organizations within the IPA Program network. Also NCDOI will sponsor a statewide Train the Trainer Tour which will attempt to provide general information regarding the FPE as well as the IPA Program.

SHOP

With regard to SHOP outreach, NCDOI plans to grant funds to the six professional agent/broker organizations in the state that will equip each group with funds to print federal materials and reimburse local travel of agents that are willing to volunteer time for a SHOP Speaker’s Bureau. The participants will target organizations and businesses that work with small business owners and will provide general information on the availability of group health plans offered in the FPE.

PCIP TRANSITION PLAN

NCDOI’s transition plan for Inclusive Health (NC PCIP) as it relates to consumer assistance is to partner with the Inclusive Health team to provide an adequate number of written notices for subscribers on the upcoming changes to the health insurance marketplaces as a result of the launch of the FPE. Inclusive Health will send four notices to subscribers that will include information on the new options available to policyholders in the FFE. The messaging will provide a summary of the FPE medal options and will include information directing consumers to Health Insurance Smart NC (Smart NC). Three of the notices are mandated by CMS and will be paid for by Inclusive Health however the NCDOI is requesting funds to send a fourth notice which will be in letter form from the NCDOI Smart NC Division. In addition Smart NC plans to provide information on local
sources that are certified IPAs who can provide information and enrollment assistance regarding the options in the FPE. Inclusive Health and Smart NC will work together to develop the language in the notices. Also Inclusive Health will post notices on its website directing consumers to Smart NC and NCDOI’s website will provide the same information. Inclusive Health has approximately 1200 licensed insurance agents who help enroll persons in the PCIP. These agents will receive information and training on the IPA program and will be asked to make referrals to Inclusive Health enrollees to the IPA Program for assistance. Smart NC will document the inquiries received from Inclusive Health and will consider additional follow up to subscribers in the event there is low response. The timeline for these notices has not been established to date but discussions with Inclusive Health are ongoing.

PLAN MANAGEMENT

NCDOI anticipates assuming the plan management functionalities first through partnership with the FFE, transitioning to partner with the NCHBE, once it is legally established. NCDOI has outlined its proposed process for performing plan management functions in its blueprint documentation. The existing Level I Cooperative Agreement is funding a consulting project to define the detailed processes and procedures for performing plan management functions. Additional funding is being requested for the following activities:

1. Hiring of additional IEPS staff to support plan management and market monitoring and reporting functions. Note that NCDOI will be working with its selected plan management consultant to perform a needs assessment to refine the number of staff needed to perform plan management partnership functions. Funding is being requested for the following additional staff:

   a. Three Exchange Liaison staff who will assume the role of QHP account managers, coordinating with other divisions in the department on QHP certification, re-certification and decertification recommendations to CCIIO and plan monitoring and oversight.

   b. A health insurance actuary/data analyst who will be responsible for collecting and consolidating health insurance benefit and rating data to support market monitoring and reporting functions. This will include monitoring the market for adverse selection and other potential impacts of the ACA, to inform potential policy changes to ensure market stability in NC. This work is in response to a recommendation from NCDOI’s market reform TAG to actively monitor the individual and small group markets, including the interplay between the Exchange and non-Exchange markets, and make recommendations to the NCGA, in consultation with the Exchange as appropriate, if insurer participation or other adjustments are needed to minimize adverse selection in the individual and small group markets.

   c. Hiring of a supervisor for the Exchange Liaison staff. The supervisor would also provide support for the SBE transition as needed.

2. Contracting for a study and recommendations related to state-specific quality measures that might be used in the quality rating system or to otherwise support consumer decision making. This project will include significant stakeholder engagement in order to ensure that North Carolinians have access to the best data available to inform their health insurance purchasing decisions, and lead to improved health.

3. Continued support for NAIC SERFF system development to support plan management functions and integration with the FFE for any costs incurred during 2013.

EARLY BENCHMARKS
At the direction of the NCGA, North Carolina has worked hard to plan for an Exchange. State partners have completed many of the early benchmarks required for Cooperative Agreement funding. Please refer to the Past Progress section of this narrative for details on North Carolina’s stakeholder engagement, Exchange actuarial/market analysis, IT gap analysis and operational gap analysis.

**IT SYSTEMS**

North Carolina has developed an eligibility system to support its Medicaid operations. The North Carolina Families Accessing Services through Technology (NC FAST) is the State’s primary eligibility determination and enrollment system for Medicaid and CHIP. NC FAST will be expanded to support the requirements of the ACA with regard to the eligibility determination and enrollment processes that will be necessary to support new Medicaid rules and the commercial insurance premium subsidies available through the Exchange. NC FAST will implement the Health Care Reform functionality building on the existing NC FAST system and the Cúram for Health Care Reform module.

The NC FAST interface architecture is a Service Oriented Framework of components which, when assembled together, facilitate real time, batch, and messaging interfaces between the NC Fast Case Management Solution and the many external systems to which it communicates. Capabilities within Cúram, IBM Message Broker, and MQ Series are utilized as part of this architecture.

The system will provide access to information or invoke transaction processing through external system interfaces using a web service interface through the Enterprise Service Bus (ESB). The ESB/web service interface will be used to provide access from external system access channels (e.g. Federal Data Hub, IVR, County based systems, etc.).

The NC FAST solution which is being used to implement the Health Care Reform functionality will address the Seven Medicaid Standards and Conditions:

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

Additional considerations and standards influencing technical design include:

1. ACA Section 1561 standards and recommendations
2. NIEM guidelines
3. MITA 3.0 standards
4. Service Oriented Architecture (SOA) standards
5. HIPAA (5010) compliance standards
6. HITECH standards
7. Security, privacy and operational standards required by NIST and FIPS
8. Seamless cross-program integration that enables efficiency and online support for users
9. Capability to offer real-time web-based eligibility and enrollment processes
10. ADA Section 508 and W3C standards for disability support
11. Limited English Proficiency (LEP) standards

13. NIST Standards for Disaster Recovery and Continuance of Operations Program (COOP) 

Design goals for the Exchange in North Carolina, both FPE and SBE, include:

- Providing state-of-the-art consumer access and online experience
- Achieving real-time, seamless integration with federal, state, and county systems
- Consistency with ACA-1561 standards
- Managing services on an ESB
- Implementing a Rules engine that meets ACA-1561 standards and supports reusable data
- Building a system architecture based on open standards
- Enabling reusable services and system components
- Utilizing a flexible architecture that can efficiently incorporate changes and new features
- Implementing effective Disaster Recovery
- Consistency with HIPAA (5010), NIST, HITECH, FIPS and FIPs guidelines
- Accommodating ADA section 508 guidelines and W3C guidelines
- Applying MITA 3.0 standards
- Accommodating Limited English Proficiency (LEP) guidelines
- Using iterative development-based SDLC
- Implementing active stakeholder and SME design participation
- Using existing State technical architecture and infrastructure assets

NC FAST is a living product under oversight of CMS and will continue to apply standards set forth in existing documentation provided to CMS. As such, the Exchange, in an FPE or SBE will comply with written policies and procedures regarding the Privacy and Security standards set forth in 45 CFR § 155.260(a)-(g). The NC FAST program has established and implemented safeguards that (1) ensure the critical outcomes in 45 CFR § 155.260(b)(4), with the exception of authentication and identity proofing which will be completed by the FFE as part of our Partnership agreement. NC FAST and the NCHBE, once established, will incorporate HHS IT requirements as applicable. The NC FAST has adequate safeguards in place to protect the confidentiality of all Federal information received through the Data Services Hub, including but not limited to Federal tax information.

NCDOI intends to utilize the NAIC's System for Electronic Rate and Form Filing (SERFF) to support the plan management functions in an FPE and the NCHBE, once established. NCDOI has been heavily engaged with the SERFF team in its development of new functionality to support Exchange plan management functions.

The NCHBE, once established, will need to procure system(s) to support the additional functionality of a SBE. NCDOI, working in collaboration with NCDHHS, developed a preliminary RFP for the NCHBE to use for its procurement once the NCHBE is established. The RFP has been vetted by stakeholders at NCDOI and NCDHHS. The RFP includes several options for system hosting, and the NCHBE will ultimately need to determine how the system(s) will be hosted. The NCHBE will also need to determine what additional functionality is needed beyond that included in the prepared RFP.

**COORDINATION WITH FFE**

**ELIGIBILITY**

Coordination between the FFE and NCFAST system is documented throughout the proposal.
CONSUMER ASSISTANCE

Coordination between NC’s consumer assistance activities and the FFE is documented throughout the proposal.

PLAN MANAGEMENT

NCDOI has worked closely with CCIIO in defining its role as a potential plan management partnership state. NCDOI Exchange Liaison staff will serve as the primary point of contact with the FFE on behalf of NCDOI Exchange plan management and will route communications from the FFE to the appropriate divisions within NCDOI, as necessary. This staff will be responsible for oversight, monitoring and evaluation of state plan management functions, and will ensure appropriate integration between divisions of NCDOI and the FFE. NCDOI Exchange Liaison staff will work to ensure timely submission of data pursuant to any MOU or other agreement with CCIIO. It will also work to ensure NCDOI’s adherence to terms and conditions of the MOU for plan management partnership activities within its authority once such conditions are identified and agreed upon by both contracting parties.

NCDOI is planning to utilize NAIC-SERFF to submit QHP information to the FFE. NCDOI understands that NAIC-SERFF has provided CCIIO adequate detail on this technology, its privacy and security measures, and its method for interfacing with the FFE. NCDOI will also procure consultant assistance to identify any other necessary tools that fall outside of the scope of NAIC-SERFF to assist with plan management functions.

REUSE

In development of an NCHBE RFP, NCDOI’s IT team reviewed other states’ IT system RFPs and leveraged requirements as applicable. Once the NCHBE IT RFP is issued, it will be submitted to forums open to all states to review and leverage as well.

NCDOI, NCDHHS and the NCHBE, once established, will continue to post relevant artifacts on CALT to allow other states to reuse NC’s artifacts.

NCDOI intends to utilize the NAIC’s SERFF system for plan management functions, and is in the process of developing plan management processes to accommodate SERFF. SERFF is a singular system that serves many states and is expected to support plan management functions in the FFE.

Please see past progress section for reuse activities performed by NC FAST.

FINANCIAL INTEGRITY

Please see the Past Progress section of this narrative on methods used by NCDOI, as the grantee, to ensure prevention of fraud, waste and abuse of grant funding.

POTENTIAL CHALLENGES

North Carolina has identified the following dependencies related to implementation of an Exchange:

Overall:
  • Federal Partnership Exchange:
    o NCDOI finds Plan Management MOU or subsequent agreements favorable
Federal funding identified to support activities
- Ability to interface with FFE systems/Data Services Hub by 2013
- FFE operational in time for open enrollment 2013
- State leadership support of federal funds
- Timely release of federal regulations and guidance
- Ability to find qualified staff/resources to support work
- Ability of SERFF to execute plan management functionality on time
- Ability to identify and train a sufficient number and distribution of in-person assisters
- Issuer buy-in and participation

• State-based Exchange:
  - Legislative or Executive action occurs to create an Exchange
  - Identification of funding mechanism(s)
  - Ongoing State leadership support
  - Development of governance structure, as applicable
  - Ability to find qualified staff/resources/vendors to support implementation and operations

Eligibility-system specific risks:
- North Carolina faces an extremely aggressive timeline to design and implement an exchange solution.
- Federal guidance on key exchange functions is not provided in a timeframe that allows North Carolina to meet critical design milestones.
- The Cúram Health Care Reform module is currently in development and has yet to be deployed elsewhere.
- Skilled resources to design, develop and implement the North Carolina exchange solution are scarce and may lack required ACA knowledge.
- State level policy and operational decisions are not made in a timeframe that allows North Carolina to meet critical design milestones.

NCDOI and its partners are committed to efficient and effective project implementation under the Level I Cooperative Agreement. To that end, evaluations will be conducted periodically using two methods: evaluation of work plan progress and monitoring of contractor activities.

North Carolina has developed a detailed work plan intended to meet the State’s objectives for Level I funding. Work plan activities were carefully developed using a realistic timeline to meet North Carolina’s objectives.

NCDOI expects to use contractual staff and consultants to help with projects under Level I funding and will carefully monitor work performed by these staff to ensure that it meets a sufficient level of quality. The contract(s) with the selected consultants and contractors will address a course of action if the State’s expectations are not met.

NCDOI is aware of the importance of tracking and collecting data reflecting the work of the IPA Program on all levels. At the present time NCDOI expects to use the federal tracking system that will be developed for the federal Navigators for the IPAs therefore this application will not request funds for database development. However NCDOI will request funds for the TAC sufficient to train and educate the IPA network on the federal system and how to use it. The SHIP National Reporting Performance System launched by CMS is an excellent tool used by the SHIIP Division in NCDOI and it is our desire to utilize any federal system developed for use by the Navigators.

NCDOI routinely evaluates the effectiveness of all programs and divisions and the expectation is the NCDOI will assess how well Smart NC is achieving its goals and objectives and utilizing resources at all levels (federal, state, and local) to administer the IPA Program. NCDOI will provide reports to CCIIO on the progress of the IPA Program progress and will require evaluation methods be used in all levels of the program.
NC FAST has developed a detailed project management and risk management plan for implementation. It has sufficient staff to address time constraints and will continue to work with State and federal partners to find ways to alleviate identified risks. The NC FAST Project Management Team will identify scope of work and project deliverables, and will discuss progress toward those deliverables on a regular basis.

**APPROACH TO SHOP**

See consumer assistance grant activity section, above, for details on how North Carolina will integrate FF-SHOP outreach and education and IPA services in 2014.

North Carolina has begun to plan for the implementation of its SHOP Exchange should a NCHBE be legally established. See Past Progress section of this narrative for details on previous planning efforts for the SHOP.
## NC EXCHANGE ESTABLISHMENT WORK PLAN
### Proposed Work Plan Activities for NCDOI Plan Management and Oversight

<table>
<thead>
<tr>
<th>Line</th>
<th>Exchange Activity</th>
<th>Description</th>
<th>Deliverable</th>
<th>Responsible Entity</th>
<th>End Date</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exchange Certification</td>
<td>Submit supporting documentation for plan management sections of Blueprint</td>
<td>Documentation</td>
<td>NCDOI</td>
<td>10/25/2012</td>
<td>First Level 1</td>
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<td>2</td>
<td>Plan Management</td>
<td>Recruitment for vacant grant supported positions in grant management and Exchange planning</td>
<td>Staff hired</td>
<td>NCDOI</td>
<td>2/28/2013</td>
<td>First Level 1</td>
</tr>
<tr>
<td>3</td>
<td>Plan Management</td>
<td>Recruitment for new grant supported positions in plan management</td>
<td>Staff hired</td>
<td>NCDOI</td>
<td>2/28/2013</td>
<td>Second Level 1</td>
</tr>
<tr>
<td>4</td>
<td>Plan Management</td>
<td>Plan management consultant project completed</td>
<td>Standards developed, process documentation, training manual, written guidance for issuers, and educational materials for the public, etc.</td>
<td>NCDOI/Consultant</td>
<td>4/30/2013</td>
<td>First Level 1</td>
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<tr>
<td>5</td>
<td>Plan Management</td>
<td>Accept QHP certification applications</td>
<td>QHP certification applications accepted and processed</td>
<td>NCDOI</td>
<td>4/30/2013</td>
<td>Second Level 1</td>
</tr>
<tr>
<td>6</td>
<td>Plan Management</td>
<td>QHP Recommendations sent to CCIIO</td>
<td>NCDOI recommendations for certified QHPs</td>
<td>NCDOI</td>
<td>6/21/2013</td>
<td>Second Level 1</td>
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<tr>
<td>7</td>
<td>Plan Management/ Oversight &amp; Monitoring</td>
<td>Routine oversight and monitoring of QHP issuers and plans in relation to their operations relating to the Exchange</td>
<td>NCDOI</td>
<td>Ongoing</td>
<td>Second Level 1</td>
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<td>8</td>
<td>Plan Management</td>
<td>Technical assistance support for issuers on Exchange and QHP related matters</td>
<td>NCDOI</td>
<td>Ongoing</td>
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<td>9</td>
<td>Plan Management</td>
<td>Quality Study consultant project completed</td>
<td>Report and recommendations</td>
<td>NCDOI/Consultant</td>
<td>12/31/2013</td>
<td>Second Level 1</td>
</tr>
</tbody>
</table>

**NOTE:** NCDOI issued in 3rd Quarter of 2012 an RFP for consultants on Plan Management and on Rate Review. The RFP was issued and the State’s normal competitive bidding process was followed resulting in two consultants being selected. NCDOI received final approval of the selected vendors in early November 2012.
<table>
<thead>
<tr>
<th>Line</th>
<th>Exchange Activity</th>
<th>Description</th>
<th>Deliverable</th>
<th>Responsible Entity</th>
<th>End Date</th>
<th>Funding Source</th>
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<tbody>
<tr>
<td>1</td>
<td>Consumer and Stakeholder Engagement and Support</td>
<td>Development and Contracting for In-Person Assistance Program</td>
<td>Program defined and contracts executed</td>
<td>NCDOI</td>
<td>4/30/2013</td>
<td>Second Level I</td>
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<td>2</td>
<td>Consumer and Stakeholder Engagement and Support</td>
<td>Develop training manual content and training processes</td>
<td>In-Person Assistance Program and SHOP On line Training completed</td>
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<td>5/1/2013</td>
<td>Second Level I</td>
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<td>3</td>
<td>Consumer and Stakeholder Engagement and Support</td>
<td>Continuation outreach and education</td>
<td>Increase awareness statewide of FPE</td>
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<td>4</td>
<td>Consumer and Stakeholder Engagement and Support</td>
<td>Mailer to PCIP members</td>
<td>PCIP members are notified of FPE</td>
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<td>NC FAST - Planning Team</td>
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<td>Deliverable - HBE Project Assumptions</td>
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<td>Deliverable - HBE Work Estimate</td>
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<td>Deliverable - HBE Deliverables List</td>
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<td>Deliverable - Requirements and ISF Traceability Matrix</td>
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## NC EXCHANGE ESTABLISHMENT SECOND LEVEL I BUDGET SUMMARY

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APPENDIX A: JOB DESCRIPTIONS

CURRENTLY FILLED NCDOI STAFF POSITIONS – STATE FUNDED

Senior Deputy Commissioner: This position oversees the Department’s Ombudsman Services Group which includes the Seniors’ Health Insurance and Information Program (SHIIP) and the Health Insurance Smart NC (Smart NC) program. This position oversees the development of the In-person Assisters program as well as the Department’s Consumer Assistance program.

Deputy Commissioner: This position is responsible for managing the Life & Health Division which is responsible for the review and evaluation of policy forms, riders, addendums and advertisements or statistical data of premiums, losses, number of claims and other related factors in determining insurance company compliance with statutory provisions and the justification of rate, rate changes, and rate schedules. This position will oversee the review and approval of insurance forms and rates for QHPs.

Insurance Regulatory Analyst III: The Analyst is responsible for the overall training of all analysts with regard to new legislation and regulations. This analyst also works with all aspects of health care reform, including the establishment and implementation of the NCHBE and the other related aspects of implementing and administering health care reform. This analyst manages and participates on special projects as required by legislative action or special requests from the Chief Deputy Commissioner, Senior Deputy Commissioner or the Deputy Commissioner is an integral part of this position.

Attorney III: This position has the primary responsibility for coordinating legal issues related to health care reform issues for the Department of Insurance. This employee works with all aspects of health care reform, including but not limited to the state Exchange; the ombudsmen program; and all other aspects of implementing and administering health care reform.

Health Actuary: This position is in charge of all rate related matters relating to recent federal healthcare reform that require state level intervention or implementation. This position also works with all aspects of health care reform, including the establishment and implementation of the NCHBE and the other related aspects of implementing and administering health care reform. This position participates on special projects resulting from legislative action or special request as assigned by the Chief Deputy Commissioner, Senior Deputy Commissioner or Deputy Commissioner. This position relates to all program objectives.

Administrative Officer I (Coordinator): This position supports the core health care reform management team and the interagency advisory group by performing research, coordinating meetings, developing meeting agendas and materials, tracking work done in other states, and supporting implementing activity activities.

Education/Certification Specialist (Community Resource Manager): This position will be responsible for development of curriculum/training program for the NCHBE’s navigators and NCDOI’s In Person Assister Program. The position will develop the certification standards and protocols for potential navigators and IPAs. In addition the position will work with NCHBE stakeholders representing various agencies, to develop the training tools and evaluation standards. This position will gather input from stakeholders on the navigator and IPA program to be transitioned to the NCHBE once operational.

CURRENTLY FILLED NCDOI STAFF POSITIONS – FUNDED THROUGH PREVIOUS GRANTS

Senior Deputy/Manager (Director/ Program Manager): This position will oversee the Exchange Liaison/Market Oversight team and manage all NCDOI NCHBE operational activities. Coordinates work activities between NCDOI, NCDHHS and NCFAST. Coordinates all work plan items and monitors progress on the work plan.

Department Purchasing Agent I (Grant Manager): This position will develop reports to track grant spending against budgeted amounts, assist with project procurements made through NCDOI, track and coordinate contractual and consultant arrangements, and support the Program Manager in executing the work plan.

Office Assistant IV (Office Assistant): This position will provide general administrative support to the NCHBE Program Manager, NCHBE Grant Manager, NCHBE Coordinator and the supplemental IT staff team. The position will handle ordering of supplies, equipment and travel reimbursement for staff, serve as an administrative liaison to other NCDOI divisions, schedule and provide administrative support for the market reform technical advisory group and the IT requirements development stakeholder meetings, and other meetings as necessary.

VACANT NCDOI STAFF POSITIONS – FUNDED THROUGH PREVIOUS GRANTS
Exchange Outreach Liaison: The position will provide strategies to educate consumers and small businesses on the FPE and NCHBE and other changes to the health insurance market as a result of the Affordable Care Act. The position will coordinate activities to educate groups on the plans, benefits, and requirements of the FPE. Special efforts to reach vulnerable populations as well as the business community will be primary objective. The position will prepare presentations about FPE services and coordinate marketing and education material for statewide distribution.

**PROPOSED NCDOI POSITIONS REQUESTED FOR FUNDING**

**Insurance Regulatory Analyst III (Exchange Liaison Staff Supervisor):** The Analyst is responsible for the supervision and training of Exchange Liaison analysts. Activities include planning and structuring of the QHP certification process; organizing work distribution for analyst positions; motivating employees to produce high quantities and quality of work and controlling their results through quality control measures. The position also participates in plan management planning as it relates to QHP certification process and serves as a technical resource on QHP certification process to internal and external stakeholders.

**Insurance Regulatory Analysts II (Senior Exchange Liaison Analyst) (1 Position):** This position is a senior level analyst position responsible for confirming compliance of issuers and their plans with the certification requirements for Qualified Health Plans (QHP) as used on the Health Benefits Exchange (HBE), training of analysts, serving as a technical lead on plan management process for internal and external stakeholders, acting as an account manager for QHP issuers, acting as a liaison between the Department and the issuers and between the issuers and the Exchange, and performing plan monitoring and oversight functions relating to plan management in the Exchange.

**Insurance Regulatory Analysts I (Exchange Liaison Analyst) (2 Positions):** These positions are responsible for confirming compliance of issuers and their plans with the certification requirements for Qualified Health Plans (QHP) as used on the Health Benefits Exchange (HBE), auditing certification requests to assure compliance with all data requirements, coordinating the certification process between NCDOI divisions, acting as an account manager for QHP issuers, acting as a liaison between the Department and the issuers and between the issuers and the Exchange, and will perform plan monitoring and oversight functions relating to plan management in the Exchange.

**Health Insurance Data Analyst/Actuary:** Develop database, data collection process and reports to monitor health insurance market trends and potential adverse selection across plans and inside/outside the Health Benefit Exchange as well as support reporting as required by CCIIO as part of plan management activities; develop and implement process for analysis of discriminatory benefit design amongst QHPs; and identify pertinent information to be provided to the Health Benefit Exchange with regard to a qualified health plan’s rate review history. Assist with the implementation of other PPACA requirements and changes as needed (e.g., reinsurance and risk adjustment programs, Health Benefit Exchange support).

**PROPOSED NCDHHS STAFF AND CONTRACT POSITIONS REQUESTED FOR FUNDING**

**Project Executive:** Manage the contractual agreement between North Carolina NCDHHS and Accenture. Review and approve the project’s financials.

**Project Director:** Mitigate any Program Management Issues and ensure the project manager has the resources and support to successfully lead the Health Benefit Exchange implementation.

**Program Manager:** Manage the Exchange implementation activities and team. Responsible for working in conjunction with the HBE Applications/Interface/Notification/Test Leads to drive the delivery of the Exchange project in NC FAST.

**Cross Entity Coordinator:** Oversee and manage the interaction between the Exchange, various Federal and State organizations and ongoing internal NC FAST projects.

**Continuous Improvement Team / QA Executive:** Visit the project site quarterly to assess if the Accenture team is providing the best service and meeting the client’s expectations.

**PMO Specialist:** Assist with resource on-boarding, work plan monitoring, weekly status tracking, etc for the NC FAST project.

**Application Integration Lead:** Oversee and manage the integration between the Exchange integration with the existing NC FAST project infrastructure.

**Application Lead:** Manage and assist with the design, development, and implementation of the Cúram software application and databases on an n-tier client server platform, interfacing with various platforms that may include mainframe, server and standalone personal computers.

**Cúram Business Analyst:** Coordinate the definition of statewide business requirements for the functional area within the context of the Cúram product, specific business processes and associated metrics.
**Cúram Design Specialist:** Assist in reviewing requirements and use cases for the application. Use the business process requirements to drive out application requirements and metrics. Design and document how the application will meet the business process design and application requirements.

**Cúram Developer:** Design packaged software configuration and customization to meet business process design and application requirements. Construct and test Cúram configurations and configuration extensions. Develop detailed designs to support desired functionality. Test code changes and resolve differences between expected and actual results. Develop application prototype and conduct pilot to validate configuration design and explore software gap resolution options.

**Cúram Tech Arch:** Analyze and design technical architecture. Build and test technical architecture. Create design documentation (installation and configuration files, and troubleshooting guides).

**Interface Lead:** Lead the interface team, requirements gathering sessions, and implementation for all Interfaces that need to be implemented for the Exchange.

**Interface Developer:** Design and test interface functionality for NC FAST.

**Notification Lead:** Coordinate activities of and supervise notification developers. Review Business Requirements for client notifications and assess current notification capabilities. Design notification templates for use within the Exchange.

**Notification Developer:** Develop the Medicaid/CHIP notifications that will be displayed to Exchange applicants.

**Reporting Lead:** Coordinate activities of and supervise reporting developers. Review Business Requirements for reports and assess current reporting capabilities. Design Exchange reporting templates.

**Reporting Developer:** Develop new reports and modify existing reports related to the NC FAST Health Care Reform module and any existing legacy systems.

**Testing Lead:** Manage the testing team and all testing activities for the NC FAST Exchange project.

**Application Tester:** Develop test scripts, test conditions, and expected results for one or more test plans, including assembly, system, and user acceptance tests. Execute test scripts, record problems and issues in accordance with the project’s problem and issue management plans. Resolve defect issues.

**Implementation Lead:** Manage the training development and delivery, communications material development, and overall implementation of the NC FAST Exchange project.

**Readiness Coordinator:** Coordinate the county readiness efforts to implement NC FAST Exchange system.

**Training Development/Delivery Lead:** Lead the Training and Delivery team to create communication materials and train DHHS staff and county DSS staff on the NC FAST Exchange system.

**Training Content Developer:** Create system training and communication materials on the NC FAST Exchange system for DHHS staff and county DSS staff.

**Junior Training Content Developer:** Create system training and communication materials on the NC FAST Exchange system for DHHS staff and county DSS staff.

**Training - HBE SME:** Plan and facilitate the training logistics and materials delivery for NC FAST Exchange system. Plan and schedule state-approved NC FAST training activities. Provide support for training activities as needed. Create training materials and support training activities as needed.

**Training Tech Writer:** Develop training scripts and deliverables as required. Author and circulate for review Training Materials, Job Aids and Document Quick Tip reference cards.

**Communication Support (Citizen/Call Center/Navigator Outreach):** Coordinate the education and outreach materials about the NC FAST Exchange system to applicants about the Navigators, Citizen Self-Service and Call Center.

**Regional Trainer:** Provide on-site support of NC FAST users and deliver classroom training to DHHS staff and county DSS staff.

**Webinar Trainer:** Create NC FAST Exchange system training materials and administer webinar training to DHHS staff and county DSS staff.

**Technical Manager:** Manage the Technical Architecture and Operations and Maintenance teams to build the NC FAST Exchange system technical infrastructure and to support the Exchange implementation.

**Technical Deputy Manager:** Assist the Technical Manager with management and support efforts of the Operations and Maintenance team.

**Configuration Administrator:** Identify configuration items to be managed under configuration management processes. Process and track change requests and subsequent updates to the configuration management library. Ensure project team members have the appropriate access to the configuration management library.

**Integration/ESB Architect:** Identify interfaces that satisfy the business requirements. Develop requirements that support the collection, integration and transformation of large volumes of data. Design and implement complex SOA solutions using the
Web Sphere suite of products and other IBM tools. Participate in systems analysis and gap analysis for building quality interfaces.

**Environment/Configuration Manager:** Identify configuration items to be managed under configuration management processes. Process and track change requests and subsequent updates to the configuration management library. Ensure project team members have the appropriate access to the configuration management library.

**Deployment Build Specialist:** Assist with the development of the NC FAST Exchange system technical architecture and ensure a successful deployment.

**Database Administrator:** Analyze slow-running queries and suggesting performance improvements. Review transaction logs and other database logs as needed to troubleshoot problems. Write scripts to migrate data from one environment to another. Model and design the application data structure, storage, and integration.

**Batch Operator:** Perform Operations and Maintenance Support for the NC FAST Exchange system implementation by resolving and deploying fixes in batches.

**Tier 1 Help Desk:** Resolve user hardware/software questions and problems, and notify ITS and/or DIRM Technical Support staff when potential system problems are identified.

**Tier 2 Help Desk:** Resolve user hardware/software questions and problems, and notify ITS and/or DIRM Technical Support staff when potential system problems are identified.
APPENDIX B
BIOGRAPHICAL INFORMATION FOR KEY STAFF

NCDOI STAFF

Louis O. Belo  Chief Deputy Commissioner
As the current Chief Deputy Commissioner for NCDOI, Louis Belo oversees Department operations and advises the Commissioner of Insurance. He has served the people of North Carolina with the Department over the past 19 years. Prior to being appointed as Chief Deputy Commissioner, he served as Senior Deputy Commissioner over the Technical Services Group and Deputy Commissioner of the Life and Health and Market Regulations Divisions. He also served as Assistant Deputy Commissioner of the former Managed Care and Health Benefits Division. He came to the NCDOI after 4 years with the insurance industry with Durham Life Insurance Company of Raleigh. Louis holds a Bachelor of Science degree in Business Administration from the University of North Carolina at Wilmington.

Carla Obiol  Senior Deputy Commissioner
As the Senior Deputy Commissioner of the Ombudsman Services Group, Carla Obiol, of the OSG oversees the SHIIP and Smart NC programs. Ms. Obiol is qualified to carry out the tasks proposed within the given timeframes to develop the State’s In Person Assister Program. Ms. Obiol has a BS degree in Business Administration and has been employed with the DOI since 1985 and assisted with the development of the SHIIP program. She was one of the program’s first trainers and served as Deputy Commissioner of the SHIIP Division from 1992-2010. As the SHIIP Deputy Commissioner she was responsible for oversight of all functions of the division including responsibilities for the managerial, administrative/personnel, and technical functions necessary for the overall operations. These duties included supervision of twenty three employees in the program and management of the program’s statewide volunteer network of 795 volunteers and 108 county programs. Ms. Obiol worked closely with the Centers for Medicare and Medicaid Services (CMS) for eighteen years to deliver consumer information, education and assistance to Medicare beneficiaries in North Carolina. Ms. Obiol leads continual program development, oversight of program operations, coordination of state and federal funds and assistance to other agencies and organizations working in insurance and aging areas. In addition she provides background and general advocacy for legislative concerns at the state and federal levels and works with state and national agencies and groups. She has been a strong supporter and advocate for the senior citizens and disabled persons of the state for over twenty years serving on numerous boards and advisory committees. In addition, Ms. Obiol provided leadership and expertise in the development of the State’s Consumer Assistance Program (CAP) or Health Insurance Smart NC in October, 2010. To date Ms. Obiol oversees the Smart NC Division and assures the division provides excellent consumer services to all citizens who have questions related to health insurance.

Ted Hamby  Deputy Commissioner
As the current Deputy Commissioner for the Life & Health Division, Ted Hamby oversees the Division’s operations relating to the review and evaluation of policy forms, riders, addendums and advertisements or statistical data of premiums, losses, number of claims and other related factors in determining insurance company compliance with statutory provisions and the justification of rate, rate changes, and rate schedules. He has served the people of North Carolina with the Department over the past 24 years. Prior to being appointed as Deputy Commissioner, he served as a Supervisor in the Managed Care and Health Benefits Division, the Life & Health Division, and the Consumer Services Division. He came to the NCDOI after nearly 20 years with the insurance industry.

Susan Nestor  Director
As the director of Health Insurance Smart NC (Smart NC), Susan Nestor oversees the Department’s new consumer assistance program. Ms. Nestor is uniquely qualified for this duty as she is a registered professional nurse, has a master’s degree in nursing and has worked in various positions relating to managed care, quality assurance, and nursing administration. She joined DOI in January 2002 to establish the Healthcare Review Program (HCR) which administers and maintains external review procedures resulting
from the enactment of the Health Benefit Plan External Review law that became effective July, 2002. Also, Ms. Nestor established a program to provide counseling to consumers about their health insurers appeal process and rights under NC law. Ms. Nestor possesses extensive knowledge of insurance law on appeals and grievances and external review and is qualified to lead the effort to recruit and train qualified staff with expertise necessary to work as effective representatives of the ombudsman office for the state. Ms. Nestor successfully launched the Smart NC Program internally on April 1, 2011.

**M. Ben Popkin Healthcare Attorney**

Ben Popkin, JD, MPH is a Healthcare Attorney in the General Counsel’s Office of NCDOI. Ben is a member of NCDOI’s core health care reform management team and serves as Project Director for this Level One Establishment Cooperative Agreement application. Prior to joining NCDOI, Ben was a staff attorney at the North Carolina General Assembly in both the Legislative Drafting and Research Divisions where he was responsible for drafting and analysis of health and insurance legislation, was principal staff attorney for the General Assembly's standing health and insurance committees and all related study committees, and was named Staff Vice Chair to the National Conference of State Legislatures’ Standing Committee on Health. Ben has a Master of Public Health degree in Health Policy and Administration from UNC-Chapel Hill School of Public Health, a Juris Doctor degree from UNC-Chapel Hill School of Law, and a Bachelor of Arts in International Studies from UNC-Chapel Hill.

**Julia Lerche Health Actuary**

Julia Lerche, FSA, MAAA, MSPH is a Health Actuary in the Actuarial Services Division of NCDOI. Julia is a member of NCDOI’s core health care reform management team, which is responsible for the implementation of market reforms, rate review enhancements, and the HBE. Julia has eight years of experience providing health care and other benefits consulting to large employers. In addition to being an actuary, Julia has a Master's of Science in Public Health degree from UNC-Chapel Hill and has worked at both NCDHHS and NCIOM on issues related to access to care for underserved populations in North Carolina.

**Jean Holliday Regulatory Project Manager**

Jean Holliday is a Regulatory Project Manager in the Life & Health Division of NCDOI. Jean has over 25 years of insurance regulatory experience with NCDOI. Jean reviews and evaluates health insurance issues from a state and federal perspective, providing needed analysis and recommendations to the Division and the Department on these issues, researches and analyzes legislation and regulations, serves as the primary technical resource for special projects, and serves as a technical resource on issues related to HIPAA and the ACA. Jean is a member of the NCDOI’s core health care reform management team and has been involved in implementation and planning of all insurance related reforms at the Department and State level. Jean holds a Bachelor of Science degree in Statistics from North Carolina State University and is a Certified Public Manager.

**Lauren Short Exchange Coordinator**

Lauren Short serves as the Exchange Coordinator for NCDOI’s health care reform management team. She has coordinated the submission of the NC Cooperative Agreement to Establish the NCHBE to USDHHS for Level I funding. Prior to working at NCDOI, she was a Research Assistant at NCIOM where she co-authored, researched and edited publications on health-related policy topics pertinent to health policy development in North Carolina. In May 2011, Lauren received a Master’s of Science in Public Health degree with a concentration in Health Policy and Management from the Gillings School of Global Public Health at the University of North Carolina-Chapel Hill. She received a Bachelor of Arts degree in 2008 from the University of Virginia with a concentration in History and Public Health.

**Melinda Munden Community Resource Manager**

Melinda Munden is the Statewide Community Resource Manager in the Health Insurance Smart NC Division of NCDOI. Melinda previously held the position of Statewide Volunteer Manager with the Seniors’ Health Insurance Information Program and managed over 900 volunteers and worked with more than 100 local SHIP coordinating sites. Melinda has over 7 years of extensive expertise in senior health issues and volunteer management.
Allen Feezor  Senior Policy Advisor

Allen Feezor, BA, MA, currently serves as Senior Policy Advisor to NCDHHS, where he oversees that agency's implementation of health care reform. He previously served as Deputy Secretary for Health and COO for NCDHHS. Prior to returning to state service, Mr. Feezor served as Board Chair, as well as President and CEO of the NC Foundation for Advanced Health Programs. Allen has served in senior executive roles in a large multi-institutional health system, as an insurance regulator who was highly regarded for his leadership on several national task forces on managed care and market reforms, and as the Chief Executive of two of the country's largest public employer health plans. Allen has served on numerous health and policy advisory panels including two national IOM studies, including chairing the USDHHS's COOP Advisory Board. In addition to his BA in political science, Allen has a Masters in intergovernmental Relations from Duke University and did post graduate work in public administration at The George Washington University.

Anthony Velluci  NC FAST Program Director

Guidance and leadership for the NC FAST Program Team comes from the Program Director who is an IT Certified Project Manager with over 19 years of overall project management experience, including 15 years of IT project management experience with state and federal government projects. Anthony has worked in North Carolina for more than 8 years managing software and infrastructure implementations and vendor management activities, and has demonstrated creative and practical management of cross-functional teams. He has extensive experience with the development and support of technical solutions for supporting business processes; strong problem-solving and analytical skills; knowledge of the contract process; and demonstrated ability to develop procurement documentation, project budgets, estimates, etc., and to manage the vendor selection process and contracts.
APPENDIX C: Organizational Charts
DOI HBE Implementation Team & IEPS Organizational Chart

Wayne Goodwin
Commissioner of Insurance

Louis Belo,
Chief Deputy Commissioner

Director,
IEPS

Lauren Short,
Exchange Coordinator

Health Insurance Data Analyst/Actuary

Office Assistant

Exchange Liaison Staff Supervisor

Senior Exchange Liaison Analyst

Exchange Liaison Analyst (2)

Carla Obiol,
Sr Dep Comm, OSG

Kevin Richardson,
SHIP Director

Susan Nestor
Smart NC Director

Melinda Munden,
Community Resource Manager

Outreach Specialist (2)

Jean Holliday,
Regulatory Project Manager

Ted Hamby,
Deputy Commissioner, L&H

Ray Martinez,
Sr Dep Comm, CSG

Ernest Nickerson,
Sr Dep Comm, TSG

Kevin Conley,
Chief Actuary, ASD

Julia Lerche,
Health Actuary

Stewart Johnson,
General Counsel

Ben Popkin,
Healthcare Attorney

Jim Newman,
Controller

Grant Manager

Existing HBE Implementation Staff
Future HBE Implementation Staff
Appendix D: Cost Allocation Methodology

All dollars associated with this Level I grant request are to be used to build the eligibility determination, consumer assistance and plan management components of an Exchange in North Carolina. NCDOI does not anticipate any need to cost allocate activities that it will perform related to plan management and consumer assistance. NCDHHS’ cost allocation methodology is as follows:

All costs associated with Medicaid/CHIP programs are funded through separate funding requests to the Center for Medicare & Medicaid Services. Separate funding is already in place in North Carolina to build IT systems and related systems and staffing involved with determining an applicant’s eligibility for the Medicaid and CHIP programs. Funds under this Cooperative Agreement will not be used to pay for Medicaid and/or CHIP costs, nor will they be used to pay the State share of the Medicaid and CHIP allocated costs.

All funding in this Cooperative Agreement will be used to support deliverables and meet milestones defined in the work plan which are distinct from all deliverables and milestones documented in the initial Level I Exchange Establishment Grant received by NC FAST.
## Table 1.1

Projected North Carolina Population by Type of Insurance Coverage

Non-aged Population Only (ages less than 65)

Baseline Reform Scenario

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<td>618,421</td>
<td>623,183</td>
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<td>600,836</td>
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<tr>
<td>Non-HBE</td>
<td>285,400</td>
<td>285,120</td>
<td>291,600</td>
<td>296,739</td>
<td>301,599</td>
<td>300,246</td>
<td>283,335</td>
<td>234,087</td>
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<td>Subtotal</td>
<td>285,400</td>
<td>285,120</td>
<td>291,600</td>
<td>296,739</td>
<td>301,599</td>
<td>300,246</td>
<td>283,335</td>
<td>256,762</td>
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<tr>
<td>Non-HBE</td>
<td>416,546</td>
<td>416,724</td>
<td>421,296</td>
<td>429,133</td>
<td>433,169</td>
<td>132,718</td>
<td>109,527</td>
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<td>416,546</td>
<td>416,724</td>
<td>421,296</td>
<td>429,133</td>
<td>433,169</td>
<td>795,791</td>
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<td>1,354,878</td>
<td>1,340,218</td>
<td>1,325,989</td>
<td>1,317,380</td>
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<td>Undocumented Uninsured</td>
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<td>199,755</td>
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<td>208,620</td>
<td>215,014</td>
<td>218,666</td>
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<td>TOTAL</td>
<td>8,196,663</td>
<td>8,300,875</td>
<td>8,406,413</td>
<td>8,496,138</td>
<td>8,586,532</td>
<td>8,679,795</td>
<td>8,771,631</td>
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<td>Total HBE Insureds</td>
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<td>Total Insured Population</td>
<td>6,659,685</td>
<td>6,751,752</td>
<td>6,866,441</td>
<td>6,965,430</td>
<td>7,060,532</td>
<td>7,988,596</td>
<td>8,065,351</td>
<td>8,147,917</td>
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</table>

(1) Includes Veterans Administration, TRICARE, and Medicare disabled.
Attachment B:

North Carolina Session Law 2011-391

"SECTION 49. Session Law 2011-145 is amended by adding the following new section to read:

DEPARTMENT OF INSURANCE AND AFFORDABLE CARE ACT

"SECTION 23.3. It is the intent of the General Assembly to establish and operate a State-based health benefits Exchange that meets the requirements of the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, collectively referred to as the Affordable Care Act (ACA). The Department of Insurance (DOI) and the Department of Health and Human Services (DHHS) may collaborate and plan in furtherance of the requirements of the ACA. DOI may contract with experts, using available funds or grants, necessary to facilitate preparation for an Information Technology system capable of performing requirements of the ACA. The Commissioner of Insurance may also study the insurance-related provisions of the ACA and any other matters it deems necessary to successful compliance with the provisions of the ACA and related regulations. If the Commissioner of Insurance conducts such a study, the Commissioner shall submit a report to the 2012 Regular Session of the 2011 General Assembly containing recommendations resulting from the study."
## Attachment C: Summary of NC Funded Activities by NC Cooperative Agreement

<table>
<thead>
<tr>
<th>Exchange Activities</th>
<th>First Level 1</th>
<th>Second Level 1 (Proposed)</th>
</tr>
</thead>
</table>
| **1.0 Legal Authority and Governance**    | • Support for legislature  
• Development of NCHBE Plan of Operations  
• 2.5 months of NCHBE start-up | • In-person assistance program development and contracting  
• Navigator operational support  
• Assister training and operations  
• Continuation Outreach and education  
• PCIP transition outreach and education |
| **2.0 Consumer and Stakeholder Engagement and Support** | • NCDOI Market Reform TAG  
• NCIOM HBEIO workgroup  
  • Consumer assistance policy recommendations  
• Pilot call center  
• Initial Outreach and Education |                                                                                       |
| **3.0 Eligibility and Enrollment**        | • NC FAST Exchange Planning Activities including: requirements gathering, Exchange Model Analysis, Project Assumptions, Interface Inventory, Work Estimate, Deliverables List, Project Org Chart, Implementation Staffing Plan, Project Plan and Scope document  
• Purchase of Cúram Exchange module | • NC FAST detailed design and development, including detailed design documentation, testing documentation and implementation activities |
| **4.0 Plan Management**                   | • Consultant support for process development  
• Support for 2012 SERFF enhancement work | • Support for five new NCDOI plan management positions to operationalize processes  
• Support for 2013 SERFF enhancement work  
• Quality study |
| **5.0 Risk Adjustment and Reinsurance**   | • NCDOI Market Reform TAG |                                                                                       |
| **6.0 Small Business Health Options Program** | • SHOP focus groups  
• Market reform TAG |                                                                                       |
| **7.0 Organization and Human Resources**  | • 2.5 months support for first phase NCHBE hiring (seven positions)  
• 1st year support for four NCDOI grant management and Exchange planning positions  
• NC FAST 4 Accenture and 1.5 Cúram Resources  
• Smart NC positions: 3 call center specialists, 1 call center supervisor, 1 Community Resource Manager | • Support for five new NCDOI plan management positions  
• NC FAST Implementation Team, 52 Accenture, 16 Cúram and 51 State Resources |
| **8.0 Finance and Accounting**            | • Sustainability options development  
• Long-term operational budget update |                                                                                       |
<table>
<thead>
<tr>
<th>Exchange Activities</th>
<th>First Level 1</th>
<th>Second Level 1 (Proposed)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.0 Technology</strong></td>
<td>• Requirements development for eligibility and non-eligibility functions</td>
<td>• Design, build and implement the NC FAST Exchange functionality</td>
</tr>
<tr>
<td></td>
<td>• Support for 2012 SERFF enhancements</td>
<td>• Support for 2013 SERFF enhancements</td>
</tr>
<tr>
<td></td>
<td>• NC FAST Technical Requirements and Interface Inventory Assessment</td>
<td></td>
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<tr>
<td></td>
<td>• Detailed Design Review and Benefit analysis</td>
<td></td>
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<tr>
<td><strong>10.0 Privacy and Security</strong></td>
<td></td>
<td>• NC FAST to ensure alignment with existing Privacy and Security standards and to confirm compliance with ACA regulations</td>
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<tr>
<td></td>
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<tr>
<td><strong>11.0 Oversight and Monitoring</strong></td>
<td>• NCDOI grant management staff</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• NCHBE preliminary evaluation plan</td>
<td></td>
</tr>
<tr>
<td><strong>12.0 Contracting, Outsourcing, and Agreements</strong></td>
<td>• NCDOI executed contracts with NCDHHS, NCiom, IT contractors, PCG, and Manatt</td>
<td>• NCDOI plans to execute contracts with NCDHHS (NCFAST), and other entities for consumer assistance</td>
</tr>
<tr>
<td>Deliverables</td>
<td>Responsible Entity</td>
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<tr>
<td><strong>PROJECT MANAGEMENT</strong></td>
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<td>Service Level Agreements (SLA)</td>
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<td>Communications Plan</td>
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<td>Quality Assurance Plan</td>
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<td>Issues Management Plan</td>
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<td>Risk Management Plan</td>
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<td>Change Management Plan</td>
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<td>Operations and Maintenance Plan</td>
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<td>Transition Plan</td>
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<td><strong>PLAN (PHASE 1)</strong></td>
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<td>Technical Requirements (Draft)</td>
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<td>Exchange Model Analysis</td>
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<td>Scope Document</td>
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<td>Assumptions Document</td>
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<td>Work Effort Estimate</td>
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<td>Project Timeline</td>
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<td>Staffing Plan</td>
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<td>Project Plan</td>
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<td>Org Chart</td>
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<tr>
<td>Detailed Functional Requirements</td>
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<tr>
<td>Detailed Technical Requirements</td>
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<td>Gap Analysis and Report</td>
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<td>Database Design Document</td>
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<td>Test and Acceptance Plan</td>
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<td>Test Scripts and Expected Results Wave 1</td>
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These Deliverables are consistent with those developed in P1 and P2/6. Please refer to sharepoint for example documents.
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Attachment E

Training Modules (Navigators/IPAs)

1. Role of the Navigator / In-Person Assister /Conflict of Interest
2. Confidentiality, Conduct and Integrity
3. Culturally and Linguistically Appropriate Services
4. Insurance 101
   a. Terminology
   b. Group vs. Individual Insurance
   c. Fully funded, self-funded, public, non-federal non-ERISA, COBRA/Continuation
5. Affordable Care Act Provisions
6. Eligibility
   a. Qualified Individual
   b. Individual Responsibility and Exemptions
   c. Medicaid
   d. CHIP
   e. Premium Tax Credits
   f. Premium Cost Reductions
   g. Employer Responsibility
   h. Small Business Tax Credits
   i. HBE
7. Plan Considerations
   a. Financial: premiums, copays, coinsurance, deductibles
   b. Quality indicators
   c. Essential Health Benefits
   d. Network
Attachment E

e. Health and Use Considerations

f. Medal levels of coverage

8. Scenarios for Plan Comparisons

9. Enrollment Documentation

   a. Security

   b. Standards-Navigator/IPA/HBE

10. How to Use Your Insurance

11. SHOP