U.S. Department of Health and Human Services
Office of Consumer Information and Insurance Oversight

Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges

Kentucky Application
Level I Establishment Grant

Funding Opportunity Number: IE-HBE-11-004
CFDA: 93.525

Submission Date: December 30, 2011

Period of Performance: February 2011 to February 2012

Project Narrative

Demonstration of Past Progress in Exchange Planning Core Areas

The Commonwealth of Kentucky has made considerable progress in the past year in planning for a Health Benefits Exchange (HBE). Using the funds from the federal planning grant, funds received through the Level I Establishment Grant, and funds received through the Planning Advanced Planning Document to support a modernized Medicaid eligibility and enrollment system, the Commonwealth has completed tasks in all eleven core areas, with the most significant progress made in the Business Operations core area, specifically within the Health Exchange IT Systems.

The Commonwealth designated the Cabinet for Health and Family Services (CHFS) to lead planning and establishment efforts for the HBE, as CHFS is home to many of the Commonwealth's human services and health care programs and houses key state agency stakeholders of the HBE including: the Office of Health Policy (OHP), the Department for Medicaid Services (DMS), the Department for Community Based Services (DCBS), and the Office of Administrative and Technology Services (OATS). This project has been, and will continue to be, overseen by Ms. Carrie Banahan, the Executive Director of the OHP and lead for the State planning efforts for an Exchange. Ms. Banahan previously served as Deputy Commissioner of DMS and as a Director in the Department of Insurance (DOI) responsible for health insurance. She will be supported from a technical perspective by OATS leadership including OATS Deputy Executive Director/CIO and OATS Chief Technical Architect. Additional executive level expertise will be supplied on an as-needed basis by the DMS Commissioner, the OATS Executive Director, and the Cabinet's chief budget officer. All executive level staff will be under the direction of CHFS Secretary, Janie Miller, who previously served as Commissioner of the State Department of Insurance and Medicaid Commissioner.

CHFS stakeholders, along with representatives from DOI and with support from Accenture, the Commonwealth's planning vendor, established integrated work groups (Medicaid, Insurance and Technical) to discuss critical operational, functional and technical design matters that are essential to the operations of the HBE. These work groups collaborated to create an operational plan to support the implementation and ongoing operations of the HBE.

The operational plan includes work products that support the planning, functional, and technical design. These documents include a Business and Sustainability Plan, Program Integrity Plan, an Enterprise Roadmap, Operating Model and Definitions, Functional Scenarios and Examples, and Detailed Functional Requirements. The technical work products include detailed Technical and System Requirements, Reference Architecture, Application Blueprint, Integration and Interface Blueprint, Data Management and Subsystem Blueprint and a Security and Risk Assessment Plan and a Medicaid Implementation Advanced Planning Document (IAPD), and an RFP to build an end-to-end eligibility and enrollment system to serve both Medicaid and HBE participants.

While the planning activities outlined in the original Level I Grant will continue, the Commonwealth has achieved an advanced state of readiness to proceed with the development of the technology to support the HBE. In order to meet federal milestones, implementation activities to operationalize the HBE by January 1,

2014, must continue; thus, the Commonwealth is submitting a second Level I Establishment Grant application. The majority of the functions included in the Level One grant would need to be completed regardless of whether or not the state or federal government operated the exchange. While the other functions are insurance related functions of the exchange to support small employer groups and individual coverage, these functions need to be coordinated with the Medicaid eligibility determination. Medicaid eligibility must be determined prior to being determined eligible for a premium subsidy.

1.0 Background Research

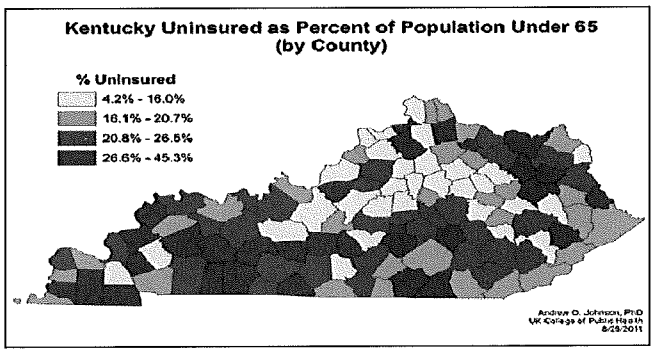
To conduct the necessary background research for planning an exchange in Kentucky, including an assessment of the number of insured and uninsured individuals in the Commonwealth, current health insurance market status, and identification of the number and characteristics of potential users, OHP entered into a contract with faculty members of the University of Kentucky (UK) Department of Biostatistics and Department of Health Services Management. The final research report was submitted to the OHP and DOI in August 2011.

Included in this report was information regarding coverage and characteristics of the uninsured and employer sponsored insurance. The report also provided analytics regarding insurance coverage by location (county and region), health status, work and education. The following are a few key findings of the final report.

Uninsured – Statewide, 52% of the non-elderly (under age 65) population are commercially insured, while 18.4% are covered by Medicaid, and 17.6%, or 687,000 Kentucky residents are uninsured.

Employer Sponsored Insurance – While nearly all (95.8%) of employers with 50 or more employees offered Employee Health Insurance (EHI), only 35% of establishments with fewer than 50 employees offered EHI. This low rate is primarily attributable to the smallest employers: 66.2% of those with 10-24 employees offered EHI, compared with only 26.6% of those with fewer than 10 employees. This suggests that these employees, along with the 86% of part-time workers who lack employer-sponsored coverage, will be HBE outreach targets.

Location - The report stated that county-specific uninsurance rates are somewhat inconsistent regionally. However, the relatively affluent "golden triangle" area around Lexington, Louisville and the Cincinnati suburbs of northern Kentucky generally displays a more uniform and lower uninsurance rate, as shown in the figure to the right.



Education: Approximately, 40.9% of Kentuckians with less than a high school diploma are uninsured, while only 8.5% of Kentuckians with a college degree or graduate education are uninsured.

Health Status: Individuals with fair or poor health status are more likely than their healthier counterparts to take advantage of opportunities for coverage, so their uninsurance rate is not significantly different from those with good or very good health (18.7% vs. 18.3%). However, they are far less likely to have employer-sponsored coverage and more likely to be covered by Medicaid (34.2% vs. 16.1%) or Medicare (22.6% vs. 1.4%).

The analysis provided by the UK report will be essential to the design of outreach and education programs, the design of the Navigator Program, and will provide guidance on targeting the uninsured population in a manner that is clear and understandable to a range of educational levels.

2.0 Stakeholder Consultation

To initiate and engage stakeholders, OHP and DOI hosted roundtable meetings in August and September of 2010. Attendees included customers, agents, employers, healthcare providers, health insurers and other interested parties. While these meetings were hosted primarily to obtain valuable background information, meaningful input relevant to exchange planning was also produced, including comments that a state-specific exchange may be necessary to meet the needs of Kentuckians.

In April 2011, the Commonwealth also established a healthcare reform website (healthcarereform.ky.gov) to provide another mechanism to solicit involvement and input from stakeholders. The website also provides access to information relating to all provisions of the Affordable Care Act, and includes a link to the federal healthcare reform website (HealthCare.gov).

Also in April 2011, OHP sent a letter to 45 stakeholders, including representatives of insurance agents, businesses, consumer advocates, health insurers, healthcare professionals, and other interested parties. The purpose of the letter was to solicit written comments, issues, and concerns relating to the establishment of a Kentucky-specific exchange, including eligibility, functions, insurer participation, market rules, qualified health plans, risk sharing, structure and governance, financing, and consumer education and outreach. A total of 22 responses from targeted stakeholders, as well as other interested parties, were received for a response rate of 48.9%. The report of findings will be used to support the creation and establishment of the HBE.

3.0 Legislative and Regulatory Action

The legislative work to date has been spent conducting comprehensive reviews and analyses of exchange "enabling" legislation in other states, including bills and executive orders introduced, pending, or enacted in states similar to or bordering the Commonwealth. A review of the American Health Benefit Exchange Model Act developed by the National Association of Insurance Commissioners (NAIC) was also conducted.

To enable the creation and operation of a HBE, all options are being considered.

4.0 Governance

As mentioned, because no current state agency exists, or has the capacity to administer and perform all business operations and integration functions required under a state run exchange, the Cabinet for Health and Family Services is serving as the single point of contact in coordinating the activity for exchange planning with the DOI.

Currently, the Commonwealth is utilizing a Steering Committee structure, comprised of leaders of the various departments in the current health benefits marketplace and Accenture, the Commonwealth's planning vendor: Carrie Banahan, Executive Director of OHP; Kathy Frye, Acting Executive Director/CIO of OATS; Mark Cornett, Deputy Commissioner of DCBS; Bill Nold – Director of the Health and Life Division, DOI; Debbie Keith, Deputy Commissioner of DMS; and Shari Randle, Deputy Director of OATS. The Committee's insight has been able to resolve issues and provide feedback.

The Enterprise Roadmap (Appendix A) was developed using the System Development Life Cycle methodology, (SDLC) to provide a concise yet comprehensive picture of how the HBE will be implemented, from the planning phase through ongoing operations, including oversight. The Roadmap provides a vision of the future principles and standards to guide the prioritization, operations and management of technologies supporting the business.

The Enterprise Roadmap is organized into workstreams including: Initiation and Planning, Program Management, Change Enablement, Technical Architecture, Eligibility & Enrollment System, Individual & Group Insurance, Advanced Analytics, Decommission of Legacy Applications (KAMES), Integration for SNAP and TANF, and Ongoing Operations & Maintenance. CCIIO's core area or specific business operation area, can be mapped back to the work steams (Appendix D).

5.0 Program Integrity

Program Integrity will be managed via the HBE's Administration functions, as shown in the Operating Model. (See Administration – Program Integrity)

6.0 Financial Management

The HBE will be required to manage several types of financial transaction actions within the HBE, which are outlined in the Financial Management section of the Operating Model.

By January 2015, the HBE will need to be self sustainable. In an effort to understand the revenue required to continue operations, the Commonwealth, with Accenture, the Commonwealth's planning vendor, has developed a sustainability model through 2015. Using the sustainability model to understand the operational needs of the HBE, from a financial perspective, the Commonwealth has begun considering several revenue streams and will present these to policy makers.

7.0 Health Insurance Market Reform

The DOI has led the initiative to implement health insurance market reforms in Kentucky. As outlined in the original Level I Grant proposal, a significant amount of past progress has been demonstrated in this area. The following outlines updates to these actions:

1. **Prohibition of Rescissions:** This provision is currently being enforced by the Commissioner of Insurance and most insurers voluntarily complied with this requirement within six (6) month of enactment. DOI is investigating any complaints relating to improper rescissions and taking administrative action when appropriate.
2. **Medical Loss Ratio (MLR):** Kentucky submitted a letter to the U.S. Department of Health and Human Services (HHS) to request an adjustment to the MLR requirement in the individual market. In July 2011, CMS determined that Kentucky may establish an MLR standard of 75 percent for 2011, with the 80 percent standard to apply beginning 2012, which reasonably addresses the risk of market destabilization.
3. **Appeals Process:** Kentucky has completed a gap analysis associated with appeals processes and has issued a bulletin requiring insurers to implement the new provisions to ensure an effective appeals process. HHS has reviewed Kentucky's actions and determined that Kentucky's process meets the standards identified in the appeals regulation and guidance.
4. **Annual Review of Premiums:** The DOI has conducted in-person meetings and bi monthly conference calls with all major insurers to discuss the final rate rule and they have indicated that they will be able to

comply with these requirements. HHS has determined that Kentucky has an effective rate review program in the individual and small group market with the exception of non-Sitused association coverage.

5. **Mandated coverage for children under 19 years of age without imposition of preexisting condition exclusions:** The Insurance Commissioner has issued an order requiring insurers to implement an annual mandatory enrollment period for individuals qualifying for coverage under this provision. The individuals may also enroll anytime during the year if a qualifying event occurs and the individual applies within the time frame.
6. **Required Adherence to HHS Standards for Compiling/Providing Information to Enrollees that Accurately Describes Benefits of Coverage:** DOI is waiting for HHS to promulgate final rules. In the meantime, DOI will enforce state laws requiring insurers to provide the terms and conditions of their health benefit plan products.

8.0 Program Integration

As mentioned, the Commonwealth designated CHFS as the single point of contact to lead planning efforts for the HBE. A high-level executive leadership team has also been assembled from the impacted agencies across state government including OHP, OATS, DMS, DCBS, and DOI. The leadership team is overseeing the work of several cross-agency planning groups, and serves as a reviewer of all HBE activity.

In August 2011, three cross agency internal work groups were established (Medicaid, Insurance and Technical). Each work group, with the assistance of the Commonwealth's planning vendor, Accenture, met to discuss relevant topics to identify functional, system, and technical requirements. The Medicaid team focused on topics including eligibility determinations, verification and enrollment; strategies for compliance with the "no wrong door" policy; Medicaid managed care; as well as other significant areas that may impact the Department for Medicaid Services. The Insurance work group focused on analyzing functional necessities for an Exchange such as, certification of qualified health plans and quality rating systems; eligibility determination; development of risk adjustment process and reinsurance mechanism; the role of Navigators and Agents; SHOP functions and other areas of significant impact to the insurance markets in the Commonwealth. And, the technical work group focused on the overall technical application architecture, ACA, CMS, and HIPAA transaction standards, accessibility as well as security and privacy standards.

In October 2011, after recognizing the need for a single vision for the HBE, the Medicaid and Insurance work groups merged to form one team and dove into a deeper level of analysis. This resulted in the development of the HBE Operating Model and a set of high-level detailed requirements for system development, representing the functionality for both eligibility determination and enrollment into health coverage, regardless of product (Medicaid, CHIP, Individual, Group or other state/federal programs). An operational plan for the HBE was developed through this work effort, combined with the assistance of the technical work group. The operational plan includes, but is not limited to, the HBE Operating Model, HBE Application Blueprint, functional and system requirements, Exchange Roadmap, and one Request for Proposal (RFP) .

The RFP will be for the eligibility and enrollment functionality required to support processing eligibility for all products under the Affordable Care Act (ACA), including Medicaid and individual (subsidized and unsubsidized) and group (SHOP). This RFP will contain the core eligibility and enrollment functions required to accept and process applications for coverage, calculate eligibility using the rules prescribed in the ACA, as well as process enrollments for the products available within the system. In addition to these core functions, this

RFP will seek solution proposals for all major components required to run an effective and efficient eligibility and enrollment system including functions such as integrated Workflow, Document Imaging, Business Rules Management, Self Service Portal, Support Service functions, and more. The RFP will also be for the components exclusive to the HBE, and will seek a solution for the functions required to integrate private health insurance plans into the system described in the Eligibility and Enrollment RFP, and meet the Exchange requirements of the ACA. This will include functions that are required for managing Individual and SHOP products, such as Premium Aggregation and Billing, Qualified Health Plan Certification and more. This RFP will also include Exchange specific additions to the application functionality in the first RFP such as Shop and Compare Tools.

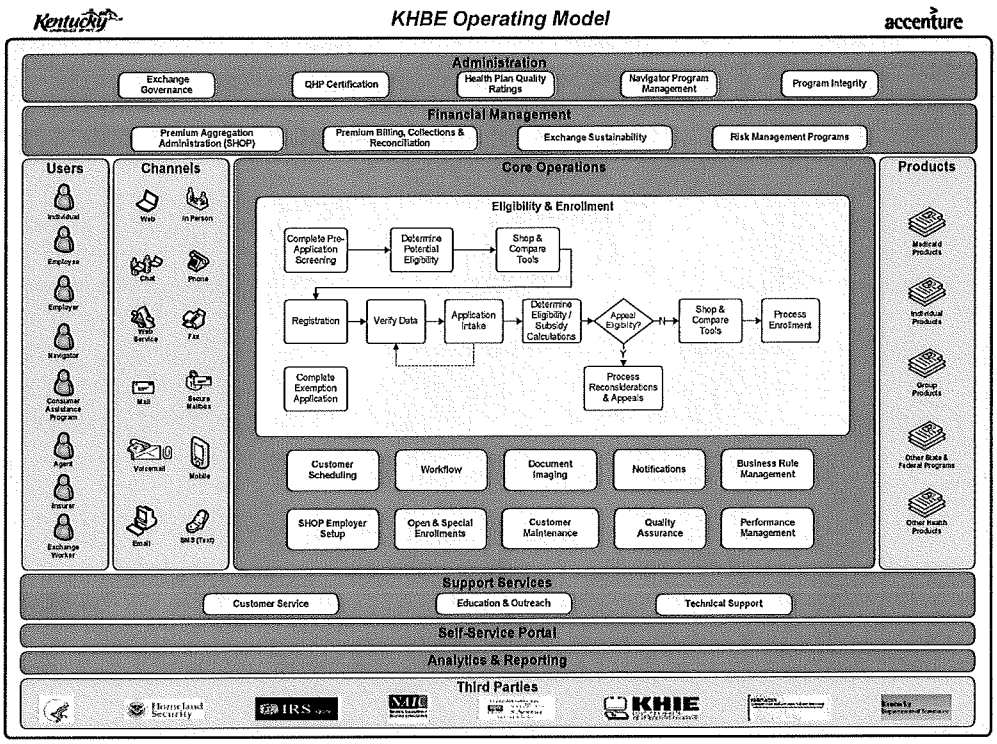
9.0 Provide Assistance to Individuals and Small Business, Coverage Appeals, and Complaints

The Commonwealth is focused on providing assistance to individuals and small business in eligibility determinations, coverage appeals, and complaints. Support Services are a critical function of the HBE, which includes Education and Outreach, customer service and technical support. Through a large targeted Education and Outreach campaign, and through Navigators and Agents, the Commonwealth will inform a vast amount of Kentuckians, including those most underserved. The main channel for assistance will be the self service portal. Through the portal, Kentuckians and Small Business Employers will be able to learn about the Exchange, determine eligibility and enroll in health insurance coverage. The HBE will also support customer service through a call center, which will also provide assistance for Medicaid eligibility determinations, individual responsibility, and subsidy calculations, and many other functions including technical support.

Individual and small business will have the ability to file appeals and complaints through multiple channels: online, in person, over the phone through the HBE toll-free hotline or through the Customer Assistance Program (CAP). The HBE will work with the CAP to determine a process for complaint and appeal processing.

10.0 Business Operations/Exchange Functions

As discussed previously, the HBE workgroups have met over 35 times over several months defining the operational plan for the HBE. One outcome was the development of the HBE Operating Model below (Appendix B). Using the Operating Model as a guideline, the following section will discuss the business operation and exchange functions of the HBE. This section will also include references to CCIIO's core area, or specific business operation area (Appendix D).



Administration

When reviewing the HBE Operating Model, the first core function is Administration, which includes a complete set of administrative functions to govern the products offered on the HBE. Exchange Governance will set the policy and direction for the HBE and support oversight on products offered on the HBE. HBE will leverage the existing DOI qualification process to support a portion of the Health Plan Certification process, and may contract with an independent third party to determine Health Plan Quality Ratings as required under Federal Law. Furthermore, the HBE will develop and implement certification criteria and processes to ensure Navigator Program adherence. In addition, the HBE will support Program Integrity to prevent, detect, and minimize fraud, waste, and abuse.

CCIIO Reference: Core Areas - Oversight and Program Integrity

Administration - Exchange Governance

While the HBE governance structure is still under consideration, once established, the structure will be clear and accountable, and act in accordance with well-defined and published governing principles. In addition, the HBE will implement ethical policies and procedures to include the disclosure of financial interests of advisory or oversight body members.

The governance structure will support an exchange that is publicly accountable and transparent, with technically competent leadership. This leadership will have the capacity and authority to take all actions necessary to meet Federal standards.

CCIIO Reference: Core Areas - Governance

Administration - QHP Certification

The HBE will establish a certification process that will grant a "qualified" status to each health plan that wishes to participate on the HBE. The certification process will include an application, insurer rate and benefit information, transparency in coverage, accreditation, network adequacy, and a process for recertification and decertification. Today, the DOI conducts a qualification process that includes a review of network adequacy, benefit information and rates for plans conducting business in the Commonwealth of Kentucky. To the extent possible, the HBE will contract with DOI to conduct portions of the QHP certification on behalf of the HBE.

Health plans will have the opportunity to appeal a certification decision and will follow a certification appeal process that will be defined.

CCIIO Reference: Business Operations - Certification, recertification, and decertification of qualified health plans

Administration - Health Plan Quality Ratings

The HBE will assign quality ratings in accordance with quality rating system guidelines that will be issued by HHS. In order to assign quality ratings, the HBE will develop a criteria by reviewing existing national quality rating systems (e.g. NAIC and NCQA) and State standards. In an effort to increase transparency, and to limit perceived preferential treatment and administrative burden, HBE may contract with a third party quality rating service to conduct ratings on behalf of the HBE, based on pre-determined criteria.

The Health Plan Quality Rating process and criteria will be displayed on the Self Service Portal and viewable to the public to support transparency and accountability. Health Plan Quality Ratings will be a component of QHP certification.

CCIIO Reference: Business Operations – Quality rating system

Administration - Navigator Program Management

The HBE will be responsible for the development and administration of the Navigator Program. This will include the definition of the Navigator role, the development of selection criteria, recruitment plan, application and certification process.

CCIIO Reference: Business Operations – Navigator Program

Administration - Program Integrity

The Program Integrity function includes the planning and implementation of activities to prevent waste, fraud and abuse. HBE will seek to prevent fraud and abuse through the use of simple and clear eligibility and enrollment rules and processes that maximize the use of Federal and State verified data. The HBE will also do this through the establishment of unique index numbers for customers, and through the matching and synchronization of identities already existing in the HBE and across other State systems, like KAMES.

The HBE will seek to counteract fraudulent activity through the use of data mining and analytic techniques that match patterns of activity in order to detect potential fraud. HBE will have the authority to terminate coverage based on the detection and proof of fraudulent activity. Where appropriate, the HBE will refer cases to insurers, DOI, and/or DMS. HBE will report statistics regarding fraud, including statistics related to dollars lost due to fraud.

CCIIO Reference: Core Area – Oversight and Program Integrity

Financial Management

Financial Management, a core function of the HBE, will have a robust set of tools and processes to administer the many financial transactions of the HBE. These functions will serve as the foundation for SHOP premium aggregation, including the processes and checkpoints to confirm all dollars are properly flowing from the employer to the insurer.

CCIIO Reference: Core Area – Financial Management

Financial Management - Premium Aggregation Administration (SHOP)

The HBE will produce and send monthly premium bills to each SHOP participating employer for payment of their employees' health plan coverage. The SHOP participating employers will submit a single payment to the HBE on behalf of both the Employer and the employees. The HBE will receive payments and remit premiums owed to each qualified health plan (QHP) on behalf of the SHOP employer. The HBE will reconcile any enrollment and premium payment discrepancies with the QHPs on a monthly basis.

CCIIO Reference: Core Area – Financial Management; Business Operations – SHOP Exchange-specific functions

Financial Management - Exchange Sustainability

The HBE will establish a plan to support self-sufficiency and ensure financial viability by January 1, 2015. The sustainability plan will be compliant with section 1311 (d)(5) of the Affordable Care Act and, the Commonwealth is considering several options as secure operational funding for the HBE.

CCIIO Reference: Core Area – Financial Management

Financial Management - Risk Management Programs

The HBE will include functionality to operate risk management programs including the risk adjustment, transitional reinsurance, and risk corridors programs in accordance with federal standards. The HBE will enable data collection capabilities to collect health plan encounter data to include demographic, diagnostic, and prescription drug data, where necessary.

CCIIO Reference: Core Area – Financial Management; Business Operation - Risk Adjustment and transitional reinsurance

Users

The HBE will serve a host of users including: individuals and employees seeking eligible coverage; Employers (small businesses) who offer health insurance programs to their employees; Navigators seeking to educate and guide customers through the application process; Consumer Assistance Programs (ombudsmen) advocating for citizens and ensuring those seeking public services are treated fairly; Agents assisting customers in the insurance marketplace; Insurers offering qualified health plans on the HBE; and HBE workers, including call center representatives, walk-in center employees, and operations management.

CCIIO Reference: N/A

Channels

The HBE foresees an environment that utilizes advanced technology and multiple channels to reach an array of users. HBE functions will be offered via an online self service portal that is accessible through a standard or mobile web browser. The Self Service Portal will support communications between customers and the HBE through web chat, email and secure mailbox. A toll free hotline will provide customers with the opportunity to access information via an Interactive Voice Response (IVR) or direct conversation with a HBE worker. Paper publications that provide educational materials regarding the HBE can be requested to be mailed or printed directly from the self service portal. The HBE is also considering using outbound text messaging for notifications or alerts and voicemail functions for outbound call campaigns. Finally, a web service function will provide data transmission between third parties, including regulatory bodies like HHS, IRS, and other State Agencies.

Where required, communication channels will be accessible to people with disabilities in accordance with the Americans with Disabilities Act and section 508 of the Rehabilitation Act and provide meaningful access for persons with limited English proficiency.

CCIIO Reference: N/A

Core Operations

Core Operations includes all of the user touch points with the HBE and provides workers the tools to manage their daily work of supporting eligibility and enrollment. Customers will interact with the HBE through conducting pre-screening for potential eligibility, scheduling of appointments, the uploading and imaging of documents, submitting changes to their personal information and receiving notifications. Core operations will also confirm quality by offering a complete Quality Assurance process along with performance management functions and a set of cost avoidance and recovery functions.

CCIIO Reference: N/A

Core Operations - Customer Scheduling

Customer scheduling provides the ability to set-up and manage a centralized calendar of phone and in-person appointments. Scheduling of customer appointments can be automated or performed manually by customers or workers, who will have the option to schedule an appointment based on location, appointment type, and available timeslots. Alerts will be sent to appropriate staff regarding current, upcoming, or changes to appointments. Appointment notices will be sent to customers via a variety of channels including, secured mailbox, mail or voicemail. Changes to appointments will vary based on user role.

CCIIO Reference: N/A

Core Operations - Workflow

Workflow provides the ability to manage a case through the lifecycle, from registration to closure. This includes the ability to view, assign, and redistribute work, automatically or manually, between offices, groups, and workers in accordance with business policies, procedures and resource capacity. Workflow will support process efficiency by allowing worker to review previous actions and complete next steps required to process a request.

CCIIO Reference: N/A

Core Operations - Document Imaging

Document Imaging provides the ability to view, capture and attach scanned images to individual cases. The functionality includes the ability to link scanned and verified images to a customer that may exist in other systems. In an effort to reduce costs, the HBE will leverage KnowledgeLake, the existing Document Imaging System, used by the Commonwealth to the fullest extent possible.

CCIIO Reference: N/A

Core Operations - Notifications

The HBE will distribute several types of notifications to customers. Notifications may be triggered automatically through workflow events, through scheduled processes (i.e. Annual Enrollment Period Notices), or manual requests. HBE notifications will uphold all the legislative requirements and standards of communication and accessibility to those with disabilities.

CCIIO Reference: Business Operations: Applications and notices; Business Operations - Notification and appeals of employer liability

Core Operations - Business Rules Management

Business Rules Management is the maintenance of all business rules and regulations affecting eligibility and enrollment within the system. The functionality will allow designated workers the ability to maintain or update the system in an easily referenced format. The system will support the frequent changes typical of Medicaid and health insurance program policies including the management of a variety of open and special enrollment period rules and rate variations. The functionality will allow corrections for a prior period of coverage, even after a rule change, as policy rules will be date driven and version controlled.

CCIIO Reference: N/A

Core Operations - SHOP Employer Setup

The HBE will support the functionality required to operationally manage the setup of Employers on SHOP. SHOP Employer setup will include the application process with identification of employees, determination of SHOP eligibility, definition of contribution strategy, QHP elections, and any financial processing information required to support premium aggregation and payments.

The HBE will allow Employers with 1 to 50 employees to participate on the SHOP exchange. Employers that exceed this number of employees after the initial open enrollment period will be permitted to remain on the SHOP exchange (i.e. Employers who exceed 50 employees in 2015 can remain in SHOP).

CCIIO Reference: Business Operation - SHOP Exchange-Specific functions

Core Operations - Open & Special Enrollments

Special and open enrollment periods will be managed in the HBE through the definition and maintenance of business rules and policies that will control how and when customers can apply for and enroll in products.

The HBE will define and manage open and special enrollment periods for SHOP and individual health benefit plan customers. Initial and ongoing annual open enrollment periods will be determined by the HBE. Special enrollment periods, based on non-qualified life events and qualified life events, allow a customer to make or

change health benefit plan elections outside of open enrollment periods. The allowable changes to health benefit plan elections may vary by life event and qualifying situation which will be managed and defined by business rules (e.g. 60 days from the triggering event). The HBE will also manage the distribution of notifications related to open and special enrollment periods to all customers (employers, employees, individuals).

CCIIO Reference: N/A

Core Operations - Customer Maintenance

Customer maintenance generally describes a change to a customer record due to a life event (e.g. birth, adoption, marriage, death, loss of income etc.) or a demographic modification (e.g. address change, name change, etc.) that occurs after an initial application intake and eligibility determination. All updates to a customer's record that impact eligibility (e.g. income data changes), enrollment, and benefit-related events are included in the maintenance. Maintenance activities may require supporting documentation to verify and process transactions. Maintenance also includes functions to allow the lookup of information on a case such as case status, eligibility periods, and for the capturing of notes by a worker on a case.

Limited maintenance functionality will be provided through the Self Service Portal and via mobile browsers, allowing customers to report changes to their circumstances and to check the status of their application. Since maintenance activities have the potential to affect eligibility, depending on the type of update, the maintenance functionality will be closely integrated with other system functions such as workflow and notifications.

CCIIO Reference: N/A

Core Operations - Quality Assurance

The HBE will facilitate a Quality Assurance (QA) process to monitor and evaluate quality. The QA process will randomly sample cases based on selection criteria parameters to detect erroneous eligibility and enrollment processing to improve customer service, training efforts, and assist in policy decision making. The system will allow for flexibility in the types of reviews conducted (e.g. Single State Audit, Federal Re-reviews, Quality Control Reviews, etc.). The QA process will be integrated with workflow and QA forms will be captured and stored within the system.

CCIIO Reference: N/A

Core Operations - Performance Management

The system will gather, analyze, and output data that can be used by the Commonwealth and/or partners to make business decisions on the effectiveness and efficiency of business processes, organizational units, or individuals. HBE performance results will be available for research analysis, and evaluation to assist in the identification of best practices to improve performance and decrease costs.

The HBE will produce reports on workload size, number of applications, type of case, location, assignee, application processing time, quality assurance results, etc., which will give decision makers the ability to monitor, review and reconfigure workload and workflow processes to achieve optimal operational efficiency.

CCIIO Reference: N/A

Eligibility

Eligibility, a core operations process of the HBE, will systematically determine a customer's qualifications for enrollment in Medicaid, Qualified Health Plan (QHP), or Small Business Health Options Program (SHOP) through the HBE. The eligibility process begins with a customer, or a qualified entity, completing the application process, including pre-screening and registration. Once an application is complete the system will validate, verify and use the customer provided data and predefined business rules to determine eligibility for specific products (Medicaid, QHP, or SHOP). Eligibility also includes processing individual exemptions, eligibility determination appeals, and maintenance.

CCIIO Reference: N/A

Eligibility - Pre-Application Screening

Prior to applying for coverage, customers will have the ability to provide minimal and anonymous information, via the Self Service Portal, to determine potential eligibility for the products and programs (Medicaid, Individual, Group insurance, State/Federal programs) available through the portal. The results of the pre-application screening will provide information on products that they are deemed potentially eligible for and information on the application process. If a customer chooses to apply for Medicaid coverage, the system will pre-populate the online application with data collected during the pre-application screening, where applicable.

CCIIO Reference: Business Operations - Seamless eligibility and enrollment process with Medicaid and other State health subsidy programs

Eligibility - Registration

Registration is the recording of demographic information about a customer to track requests for coverage in the HBE. The information recorded during the registration process is used to create case numbers and unique customer identification records (client index numbers). During the registration process, the HBE performs search and match functions to identify customers that are already known to the system, to prevent duplicate records and to ensure each customer can be uniquely identified in the system. Registration will occur through all channels that a request comes through (e.g. online, in person, paper, phone).

CCIIO Reference: Business Operations - Seamless eligibility and enrollment process with Medicaid and other State health subsidy programs

Eligibility - Application Intake

Application Intake is the process of capturing customer data in a single application. Applications will be accepted online, via telephone, on paper and in person. The process will capture all data elements required to calculate eligibility and apply for each product within the HBE, as well as communicate with the customer on an ongoing basis. This data includes, but is not limited to, income, expenses, and personal demographic information. The application intake process will also capture an applicant's agreement to the terms and conditions of the application, as well as a signature as proof of agreement to those terms. Signatures can be physical, electronic or telephonic, depending on the customers application channel.

CCIIO Reference: Business Operations - Applications and notices

Eligibility - Eligibility Determination

Eligibility determination is the process of applying a complex set of eligibility rules to specific data associated with a customer, to identify coverage under one or more products established within the HBE including: Medicaid, SHOP, and Individual products, which may also include premium tax credits and cost sharing reductions.

The determination process for eligibility is evaluated continuously throughout the customer's association with the HBE; at initial application, during scheduled periodic reviews and whenever specific program eligibility requirements change or new ones are added per federal and state guidelines.

CCIIO Reference: Business Operations - Eligibility determinations for Exchange participation, advance payment of premium tax credits, cost-sharing reductions, and Medicaid

Eligibility - Individual Exemptions

The Affordable Care Act (ACA) states that the Health Benefit Exchange must have functionality to track, "receive and adjudicate requests" for individual exemption from the individual responsibility requirements (e.g. exempt based on religious sect or division). Processing individual exemptions will allow customers to document their reasons for exemption and to provide supporting documentation for exemption verification. The HBE will issue certificates of exemption to eligible individuals. Individuals denied exemption eligibility will be able to submit an appeal. Final exemption decisions will be communicated to HHS for transmission to the IRS.

CCIIO Reference: N/A

Eligibility - Appeals

The Affordable Care Act (ACA) provides the right to request and submit an appeal regarding eligibility determination decisions made by the HBE. The appeal process includes a reconsideration request, hearing, and may result in further legal action. An individual, employer or qualified entity can begin the appeal process through a reconsideration request, but this step may be bypassed to a formal hearing. Appeals may be submitted through multiple channels including online, in-person, or over the phone, but regardless of channel a written form must be completed. Once a customer has filed an appeal of any kind, the HBE will send a notification related to the appeal process and the opportunity to review his or her file and present evidence as needed.

CCIIO Reference: Business Operations - Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints; Business Operations - Notification and appeals of employer liability; Business Operations - Adjudication of appeals of eligibility determinations

Enrollment

Enrollment, another core operations process of the HBE, will facilitate plan selection for a customer who has been determined eligible and elects to enroll into a Qualified Health Plan (QHP) and/or Medicaid. During the enrollment process, the HBE will determine individual responsibility based on subsidy calculation. The customer may utilize Shop and Compare Tools to assist in the QHP election process or with the selection of a Medicaid Managed Care organization (MCO). These tools include the display of health plan quality ratings, plan benefit summaries, premiums (if applicable), and cost sharing amounts. More robust comparison tools

will provide customers with a more personalized comparison based on their historical experience (i.e. average number of office visits, primary care physician, average number or cost of prescriptions, etc). Customers may elect a Medicaid MCO or a QHP, based on their respective enrollment status. The HBE will transmit all required enrollment data to MMIS or the specific QHP on behalf of the customer. The enrollment process also includes the ability to maintain a customer record, renew health plan elections, and disenrollment, or termination of coverage.

CCIIO Reference: Business Operations - Notification and appeals of employer liability; Business Operations - Adjudication of appeals of eligibility determinations

Enrollment - Shop & Compare Tools

Shop & Compare Tools are a set of optional consumer assistance resources available on the Self Service Portal that support customers in the Medicaid MCO and health benefit plan selection process. Individuals will have the ability to view standardized comparative information on each available QHP or Medicaid MCO with side-by-side, quality ratings, benefit summaries, and including premium tax credits and cost sharing through the development of an exchange calculator as outlined in the ACA. The Shop and Compare Tools will provide more detail on specific customer health information and will display a further level of comparative information (e.g. average number of doctor visits, total number of prescriptions, how much can you afford per month?). Employers will also have Shop & Compare tools to help in the plan selection process, which will include tools to test affordability for their employees.

CCIIO Reference: Business Operations – Enrollment Process; Business Operations - Individual responsibility determinations

Enrollment - Subsidy Calculations

The HBE will include functionality to calculate premium tax credits, cost sharing, and individual responsibility. This information will be displayed to customers and integrated with Shop and Compare Tools available on the Self Service Portal. Calculator outputs will be based on information entered by the participant and verified during eligibility determination. A customer can opt out of a subsidy at various points throughout the eligibility and enrollment process, including at the calculation stage.

The premium assistance available to HBE participants will be based on household income, family size, applicable percentage (taxpayer's required share of premiums based on household income), benchmark plan premium (second tier silver plan), and the premium for the plan in which the customer enrolls. The premium tax credits may be received in an advanced form (via IRS payments directly to the QHP) or claimed via income tax filings. Reconciliation processes will be the joint responsibility of the IRS and the customer.

CCIIO Reference: Business Operations – Enrollment process; Business Operations – Premium tax credit and cost-sharing reduction calculator

Products

The purpose of the HBE is to support enrollment into qualified products, based on eligibility determinations. Individuals may be eligible for Medicaid. If an individual does not qualify for Medicaid, he or she will have the opportunity to select an Individual Product that has been certified by the HBE. Employers on SHOP will have the opportunity to review and pre-select Group Products that have been certified by the HBE. Employees will

have the option to select from this subset of QHPs. Individual and group products will be differentiated by affordability, type of coverage, and premium costs associated with cost-sharing requirements (platinum, gold, silver and bronze).

In the future, the Commonwealth will support other State and Federal Programs like TANF and SNAP through the HBE. Furthermore, the Commonwealth may consider offering Other Health Products.

CCIIO Reference: N/A

Support Services

Another core functional area of the HBE Operating Model is Support Services, which will support all users. Supported by a call center, the HBE will aid users with general inquiries, eligibility and enrollment questions, and technical issues that may arise from utilizing the Self Service Portal. Support will also extend to the community and commercial partners in an effort to educate customers and provide support when interacting with the HBE, to ensure a high quality customer experience.

CCIIO Reference: N/A

Support Services - Customer Service

The HBE will offer comprehensive customer service to support assistance requests. The Commonwealth will utilize customer service channels to include: live in-person support in local offices, a call center, mail correspondence, secure fax and email correspondence, and online web chat assistance. Customer service functions will assist users with a variety of assistance requests to include application assistance and basic technical issues including password resets and log-on issues.

HBE customer service functionality will be primarily administered via a call center accessible by a toll-free phone line. Initiating customer service requests through the call center will allow the HBE to offer consistent high quality support to everyone, regardless of their assistance request. In addition, the call center will allow each service support encounter to be documented and saved for future reference. Unresolved service requests will be routed to specialized workers for follow-up and resolution, which may include a Medicaid specialist or a technical support specialist.

CCIIO Reference: Business Operations – Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints; Business Operation – Call Center

Support Services - Education & Outreach

The HBE will provide a robust education and outreach program to inform customers and employers about the HBE and the new health care coverage options available to them. Education and outreach activities will target customers and employers most likely to benefit from the HBE, communicate the value proposition of purchasing health care on the HBE and educate them on purchasing health insurance coverage through the HBE including: an overview of ACA and the federal mandate, information on QHPs, certification standards, and the availability of subsidies such as Premium Tax Credits and Cost Sharing Reductions.

The Commonwealth will leverage lessons learned from prior education and outreach campaigns, like the successful KCHIP Program, and research conducted by UK, to deploy an education and outreach strategy that uses a variety of methods and targets a vast array of Kentuckians. While Navigators will be key players in both

learning and distributing education and outreach, multiple entities including QHP's, healthcare providers, agents, and education personnel will be used for outreach and the delivery of messaging. In addition, the education and outreach strategy will utilize multiple access channels for communication including: public media and web campaigns, telephone outreach, and printed materials to target potential HBE customers and employers.

CCIIO Reference: Business Operations – Outreach and education

Support Services - Technical Support

The HBE will offer technical support to all customers using knowledgeable and technically trained support personnel. Technical support personnel will assist customers and workers with technical issue resolution including: hardware and internet setting configurations, password or log-on difficulty, user security problems, screen/navigation errors, interface issues, and any additional issues of a technical nature that may arise while accessing the HBE.

The HBE technical support will offer a variety of resources and options to quickly resolve customer and worker technical issues. Technical support resources will include live technical support available through a toll-free phone line, online web chat, technical FAQs posted on the Self Service Portal, online user manuals with system help documentation, and emergency support to assist with critical system issues. Technical support for non-critical technical issues will be available during reasonable hours of operation to be determined by the Commonwealth, while emergency technical support will be available to assist with critical system issue resolution.

CCIIO Reference: Business Operations – Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints

Self Service Portal

The Self Service Portal (Portal), another core function of the HBE, will serve as a one stop shop for residents of the Commonwealth of Kentucky seeking health benefit coverage. The Portal will operate under a "no wrong door" policy allowing all Kentuckians to view comparative information on health benefit options, submit a single application for health benefit eligibility determination (Medicaid, Individual (subsidized or unsubsidized) and SHOP), enroll in the selected coverage option, obtain information on the administration and operations of the HBE, and access contact information for Navigators, Agents and other consumer assistance services. Other state and federal programs, such as TANF and SNAP will be accessible via the Self Service Portal in the future.

The Portal will not only serve as an entry point for applicants seeking coverage, but will also serve other Qualified Entities including: Employers (small and potentially large businesses) who offer health benefits to their employees; Navigators seeking to guide Kentuckians through the application process; Agents looking to bring individuals into the insurance marketplace; Workers managing eligibility and enrollment across different programs; Call Center Representatives who resolve HBE customer inquiries; Ombudsmen advocating for citizens and ensuring those seeking public services are treated fairly; and Healthcare Providers looking to introduce their patients to available benefits and services.

The Portal will be deployed as a public facing website allowing meaningful access (Section 508 compliant) and accessible from any device that has internet, including mobile devices such as PDAs, cell phones, iPads, etc.

The Portal will utilize available information from multiple sources (HealthCare.gov, MMIS, Health Plans, State and Federal Hubs, etc.) to provide customers with real time access to their health benefit information.

CCIIO Reference: Core Area – Exchange Website

Analytics & Reporting

Another core functional area of the HBE Operating Model is Analytics & Reporting, which will provide functionality to build, create and run operational analytics and reports to support policy decisions and management in making business decisions on the effectiveness and efficiency of business processes, organizational units, or individuals. The reporting solution will provide reports to support key system and business functions, giving users the ability to quickly and easily access timely and useful information. The HBE will have the ability to produce a variety of report outputs in a variety of media and formats for maximum flexibility.

The HBE will also support analytics and reporting functionality that allows for communication with Federal Agencies, Insurers, Employers, and other State Agencies through the utilization of multiple interfaces.

CCIIO Reference: Core Area – Information reporting to IRS and enrollees

Third Parties

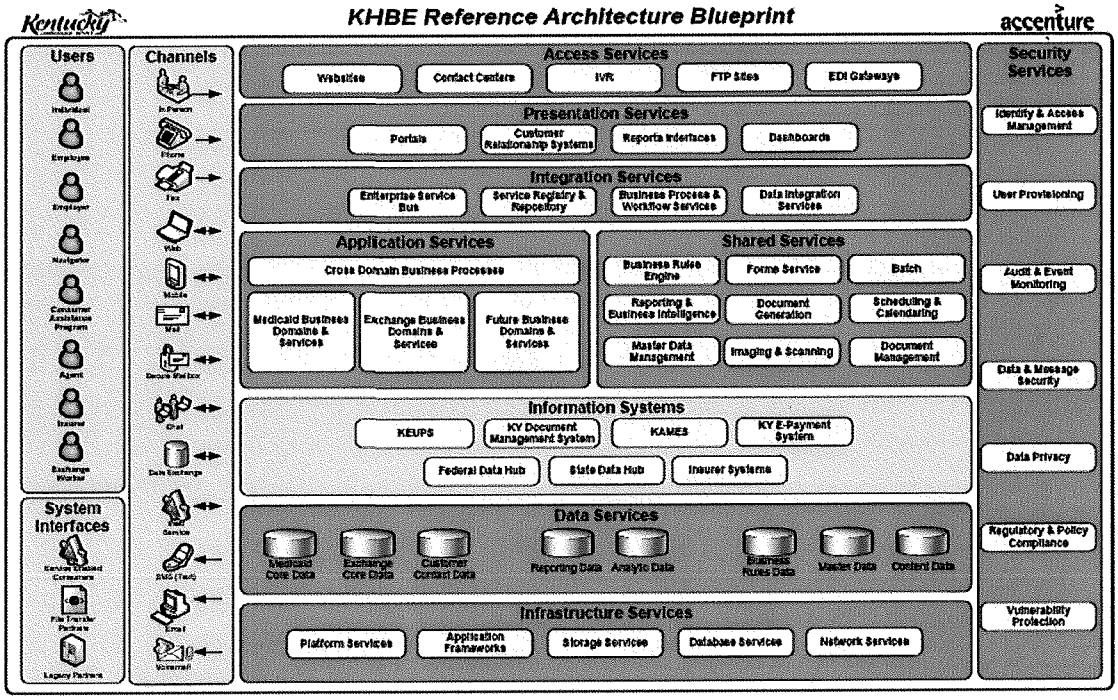
Third Parties include organizations or entities that may interact with the HBE. Interactions will include the transmission of information through an interface for data population, verification or reporting. Third Parties include the following organizations or entities: Kentucky Health Information Exchange (KHIE), Health and Human Services (HHS), Office of Personnel Management (OPM), Internal Revenue Service (IRS), Homeland Security, National Association of Insurance Commissioners (NAIC), Department of Insurance (DOI), Cabinet for Health and Family Services (CHFS), and Health Insurers (such as Anthem, Humana, etc).

CCIIO Reference: N/A

11.0 Exchange IT System

The Commonwealth envisions two distinct IT solutions to support the Operating Model of the HBE. One system will support eligibility determination and enrollment, while the other solution will support distinct exchange functions such as Shop & Compare Tools, QHP plan selection and SHOP. Together these solutions will be integrated through a multi-layered application architecture approach and adhere to the architecture guidance and the seven conditions provided by CMS for enhanced federal funding. In alignment with this guidance, the technical solution architecture will employ a modular design, based on Service Oriented Architecture design principles and the MITA Technology Architecture framework.

As previously mentioned, the technical overview was developed from a series of technical work group meetings and should be reviewed in the HBE Reference Architecture Blueprint below and in Appendix C.



Access and Presentation Services

The Access and Presentation Services layer of the technical solution is the architecture layer that addresses all user interface components and system access channels. The system can be decomposed into two user interaction layers, access channels and presentation.

Access and Presentation Services - Access Layer

The system's access layer provides a flexible framework for managing and providing internal and external communications over a variety of different channels. The system will provide the Commonwealth the ability to deliver communications to customers over email, phone (data and voice), and mail. Customers must also have the flexibility to access services provided by the HBE over a variety of channels that may include, but are not limited to, web, phone, email, or mail. The system will feature a full service contact center that integrates an Interactive Voice Response (IVR) component. The IVR component will provide intelligent call routing, access to individuals with disabilities and language deficiencies, Computer Telephony Integration (CTI), and support collection of metrics for reporting and analysis capabilities. The IVR system will provide users the ability to access account information and access help information using automated voice prompts. An integrated online chat feature will allow external users to request help from any page on the public site.

Access and Presentation Services - Presentation Layer

The presentation layer provides users access to the system using a robust, thin-client, browser based solution delivered over the Internet. The HBE will be required to adhere to CHFS graphical user interface (GUI) standards and policies. In addition, the HBE will provide services to persons with disabilities by complying with mandates listed in the Rehabilitation Act of 1973, Section 508 and W3C's Web Content Accessibility Guidelines 2.0. The HBE will be accessible to individuals in English and Spanish, and must provide the ability to extend

support to different languages in the future. The solution will support usable, mobile-friendly browsing and enable access to the site's features and services using "smart" phones, tablets, and PDAs. The solution will also be extensible to support creation of and consumption by mobile applications ("apps") in the future. HBE workers accessing the portal from the CHFS Intranet will have access to internal functions not available to external users on the public site.

Integration Services

The Integration Services layer of the HBE technical solution is the architecture layer that enables sharing of application services. The layer enables the system to share data, information, and processes that operate across application boundaries.

The integration layer features a shared services offering provided by the Commonwealth for Enterprise Service Bus (ESB) capabilities. CHFS has chosen Microsoft BizTalk Server as the standard messaging infrastructure to be used for messaging, routing, guaranteed delivery, transformation, and translation. The ESB will provide services for, but not limited to, SOAP XML web services, HL7, HIPAA, and legacy integrations.

The system will align to CMS guidance for service oriented architectures (SOA). The HBE will be delivered using a collection of distributed systems and services. The technical and business services will be designed to promote reuse, modularity, and interoperability. A key component of SOA will be a UDDI compliant registry and repository for web services. The repository will provide a centralized directory for service metadata definition, location, search, management, versioning, and governance. This will enable the HBE's supporting services to be leveraged by applications external to the system. The HBE will be built based on key web service architecture standards defined in MITA such as SOAP, XML, WSDL, UDDI, and SAML. The HBE will be leverage an information exchange model that is fully compliant with NIEM requirements during data integration and information exchange between the system and external services (federal, state, or external business entities).

In accordance with MITA guidance, the HBE will be built using a business process centric design for the delivery of Exchange and Medicaid functions. The business process driven design will be extensible to public assistance programs the HBE may integrate in the future. The system will also feature a robust workflow engine/framework that supports developing, monitoring, administering, configuring, and executing workflows. The workflow engine will provide the ability to control the processing of human and system activities that may be required to execute in sequence or parallel. The workflow engine will also provide the ability to configure rules, roles, and execution paths for any supported workflow managed business process. Support for configuration of notifications, alerts, and business activity monitoring (BAM) operational reports will enable the business to adapt to changing business needs quickly. The system will provide rich task and activity features for managing and administering cases, service requests, and HBE worker assignment queues. The task and activity service will at the minimum support configuration of assignment rules, notification triggers, and alert channels.

Application and Shared Services

The Application Services layer of the technical architecture is the layer that provides reusable commodity features and functions within the system. The Shared Services layer is a sub-set of Application Services that can be exposed externally to other systems, applications, or external entities for reuse.

The architecture will feature a set of services that are classified as Shared Services to promote reuse and leverage based on guidance from CMS. The system will be required to provide seamless integration between the HBE with the existing CHFS Document Management System, so that document search, retrieval, and upload appear to be native operations of the portal to the user. The CHFS Document Management System will serve as the primary repository for storage of all HBE documents and content including, but not limited to, outbound communications, inbound documents (applications and verification documents), content (web, help, and communications), and document templates. The system will provide document imaging functions to assist with processing of inbound documents that include features like indexing, scanning, and workflow. The service will also provide advanced search capabilities, document versioning, and change notifications. The system will leverage a shared forms service capability for the development of online forms. The forms solution will provide a user interface for form configuration, management, versioning, and deployment. The system will also provide the ability to use wizards to facilitate data entry for forms, as well as, direct user entry into the online form. The customer appointment requirements will be delivered using customer scheduling functions and features delivered as a shared service. Some key features offered by the customer scheduling services are the ability to configure alerts and notifications and the ability to synchronize appointments with the KAMES calendar. The solution will feature batch processing architecture components for supporting batch processes in the system, for technical and business functions. The system will feature batch scheduling services to be delivered using the existing scheduling asset approved by CHFS standards. At a high-level, the batch architecture will provide the ability to report, monitor, and execute batch jobs.

The system will feature a full-featured architecture component for developing, managing, maintaining, and versioning business rules external to application code. The business rules engine will provide the ability to: quickly adapt program rules to policy changes, maintain business rules using business analysts rather than developers, and express rules using language that can be understood by the general public. The solution will provide open standard interfaces so that it can be leveraged as a shared service.

The system will provide reusable architecture services to facilitate the various types of reports required by the HBE that include, but not limited to, static pre-defined, dynamic parameter based, and ad-hoc reports. The system will leverage Microsoft SQL Server Reporting Services for delivery of the system's basic reporting features as directed by CHFS standards. The architecture will provide capabilities and controls aimed at preventing ad-hoc reports from negatively affecting system performance. The reporting solution will consist of executive dashboards and custom reports for operations, business, and federal reporting requirements. The system will provide business intelligence (BI) capabilities for the storage, retrieval, and analysis of historical data. The system will include load extract, transform, and load capabilities for loading data to an analytic database (data warehouse). The system will also leverage Business Objects XI 3 for BI features in compliance with CHFS IT standards.

The system will feature Application Services that will be utilized by the application to deliver basic commodity features and provide domain business services to the application. The system will include services for data integration with KAMES, other state agencies and system, and the Federal Data Services Hub for eligibility information verification. CHFS mandates that application business services that are custom developed and require ongoing maintenance by CHFS be developed and delivered using the Microsoft technology stack, specifically the .NET platform.

Data and Information Management Services

The Data and Information Management Services layer of the HBE technical solution is the architecture layer that provides services for data management. This layer includes the definition of data services, reporting and analytics components, and the master data management features of the system.

The data services layer will provide the application with highly-available, redundant, consistent data. The layer consists of the infrastructure, processes, and management tools required to deliver data services to the application. The HBE will provide a normalized extensible relational data model that aligns to the business domain. The system's data architecture strategy will include a data modeling solution that utilizes any or all of the CHFS approved tools for modeling that include, Microsoft Visio, Microsoft Visual Studio .NET, and Computer Associates ERWin. The data services layer will maintain data integrity and consistency throughout the system life. Included in the data layer, the HBE will utilize a strategy for converting data from KAMES that minimizes the ongoing operational processes and costs of KAMES. The conversion architecture will include components and business processes required to load the master data management solution. The conversion strategy includes reporting, error handling, and security controls consistent with the application security controls defined in the security services architecture layer.

The system will include a Master Data Management (MDM) solution for managing master reference data. The HBE will provide the system architecture components, toolset, and strategy for master data management. The system's data management functions will include the ability to create, update, and delete master data entries, along with advanced features such as validate, search, cluster, match, and merge. The system will provide a matching engine that includes the ability to configure rules and thresholds for probabilistic matching. The MDM solution will expose open standards interfaces and APIs to allow the service to be exposed as a shared service.

Infrastructure Services

The Infrastructure Services layer is the HBE layer that provides the application servers, database platforms, programming libraries and runtime framework for the application. The Infrastructure Services layer will be designed to enable quality, high-performing, scalable delivery of application services to the end-user.

The HBE will provide infrastructure components that conform to published CHFS platform, environment, and operating standards. The solution will be capable of leveraging existing shared infrastructure (e.g. Microsoft BizTalk) as made available and required by CHFS in alignment with published CHFS standards. The HBE design will also perform a capacity analysis with CHFS to determine the feasibility of extending existing CHFS infrastructure to fulfill the infrastructure needs of the solution.

The HBE will leverage the CHFS standard for Microsoft SQL Server for all databases deployed in support of the system. All application services and infrastructure requiring ongoing maintenance by CHFS will be hosted on virtualized environments in the Commonwealth's on-site COT data center and will conform to published CHFS virtualization standards. The production environment will leverage physical servers for all production databases. The HBE will identify the network design required in support of the system, including load balancers, VPN gateways, XML gateways, firewalls, intrusion detection system, DMS configurations, and proxies. The HBE's design will also identify infrastructure components required to support contact center functions including PBX switches, gateways, IVR components, media-processing devices, desktop agents, and phones.

The Infrastructure Services layer will provide logical environments for each testing phase. The HBE's infrastructure strategy will provide the ability to create, deploy, load and manage multiple environments that operate concurrently. The HBE's environment strategy will closely align with the Workstream and testing strategy. The infrastructure layer will be required to interoperate with the KAMES system for testing of mainframe/legacy integration. The HBE will also include a strategy for sharing the existing four partitioned environments for the KAMES mainframe between the various testing environment instances required.

The HBE's infrastructure design will include high availability design for all application service hosting infrastructure components. The system will demonstrate fault tolerance and redundancy to prevent applications from becoming unavailable due to component failures. The system design will provide clustered application server environments, load balanced applications and application components, redundant application data and storage designs for all data stores (data, logs, messages, message queues, etc.). The HBE design will include a prescribed disaster recovery plan the enables failover to a "cold" disaster recovery site that is currently maintained by CHFS. The system will also demonstrate how the disaster recovery plan and design could be changed in support of a future "hot" site disaster plan that is being evaluated by CHFS.

Security Services

The Security Services layer of the HBE technical solution is a cross-cutting virtual architecture layer that addresses security concerns in each facet of the application and technical architecture layers. A core, key component of the HBE security services architecture will be realized through re-use of the Kentucky Enterprise User Provisioning Service (KEUPS), which will provide capabilities for addressing the HBE's identity and access management controls. KEUPS will provide user provisioning, de-provisioning, self-service registration, authentication, single-sign-on, and coarse-grained authorization services for the HBE, and will facilitate the handoff of security tokens for application use within the HBE.

The HBE will be a claims-aware, active directory federation services (ADFS) compliant application, and shall provide for configurable, maintainable role-based access to business functions through both public and private channels.

The HBE Security Services will implement security controls in compliance with NIST special publication 800-53 rev. 2 guidance for high baseline controls in accordance with CHFS security standards, and will comply with all relevant state and local security and privacy regulations, as well as federal security and privacy standards adopted by the U.S. Department of Health and Human Services for exchanges. The HBE will engage and procure a third party company to complete a Certification and Accreditation of the system controls prior to go-live, in accordance CHFS standards and policies for Certification and Accreditation.

Security services within the HBE shall be exposed as standards-compliant, reusable web services whenever feasible, and shall align to the MITA Maturity Model and MITA security and policy standards.

The HBE will be built using leading practices for secure application development, and will protect the privacy and disclosure of sensitive, protected health information and personally identifiable information in accordance with HIPAA Security and Privacy Rules.

Operations and System Management Services

The Operations and System Management Services layer is the HBE architecture layer that provides system and application administration and monitoring capabilities.

The HBE will monitor and report the status of all applications, services, and system components for the solution. The application monitoring solution will provide operations users the ability to view the availability of application resources, application uptime, and service utilization. The server resources will be monitored against similar server specific metrics. Adherence to MITA requires the collection of operational data in order to establish and meet Service Level Agreements (SLAs) for the system. The HBE will utilize Microsoft System Center Operations Manager (SCOM) for all systems and applications monitoring capabilities as directed by CHFS IT standards. SCOM management packs, third-party management packs, and custom management packs will be developed and maintained to support the collection of monitoring data from application and infrastructure services.

The system will provide the tools, configurations, and processes necessary for administering and maintaining the solution. The CHFS standard backup and recovery tool will be used for all backup requirements that include, but are not limited to, database, core and custom software, software and database configuration, server, and user preferences. Batch scheduling will leverage the CHFS standard approved tool for enterprise scheduling. The HBE will also include all operations materials, manuals, configuration specifications, and documentation required to support the system and related processes. The system will integrate the Commonwealth's COT print facilities for CHFS maintained application components with bulk printing needs. The HBE will provide a business continuity disaster recovery plan that includes an approach to providing business continuity, and demonstrates how the solution safely recovers from a disaster event without compromising data integrity, security, or data synchronization between the recovered and connected systems.

Development Architecture and Services

The HBE will utilize a well established formal methodology across the System Development Life Cycle (SDLC) that aligns with the Microsoft Solution Framework (MSF). The solution will be delivered using a phased development approach that supports the Commonwealth's requirement to sign off on iterations of the system test results of the solution before proceeding to the next development phase.

The HBE will leverage existing asset investments and technologies for development of Microsoft based solutions that include: Microsoft Visual Studio for .NET development and code maintenance, Microsoft Team Suite for automated testing, Microsoft Team Foundation Server for configuration management, and CHFS standard tools for data modeling. The HBE will include a robust development framework that includes support for continuous Integration.

The system's testing methodology will include full testing to include the following test cycles: unit testing, integration testing, performance testing, load testing, stress and capacity testing, data conversion testing, user acceptance testing, and disaster recovery testing.

Proposal to Meet Program Requirements

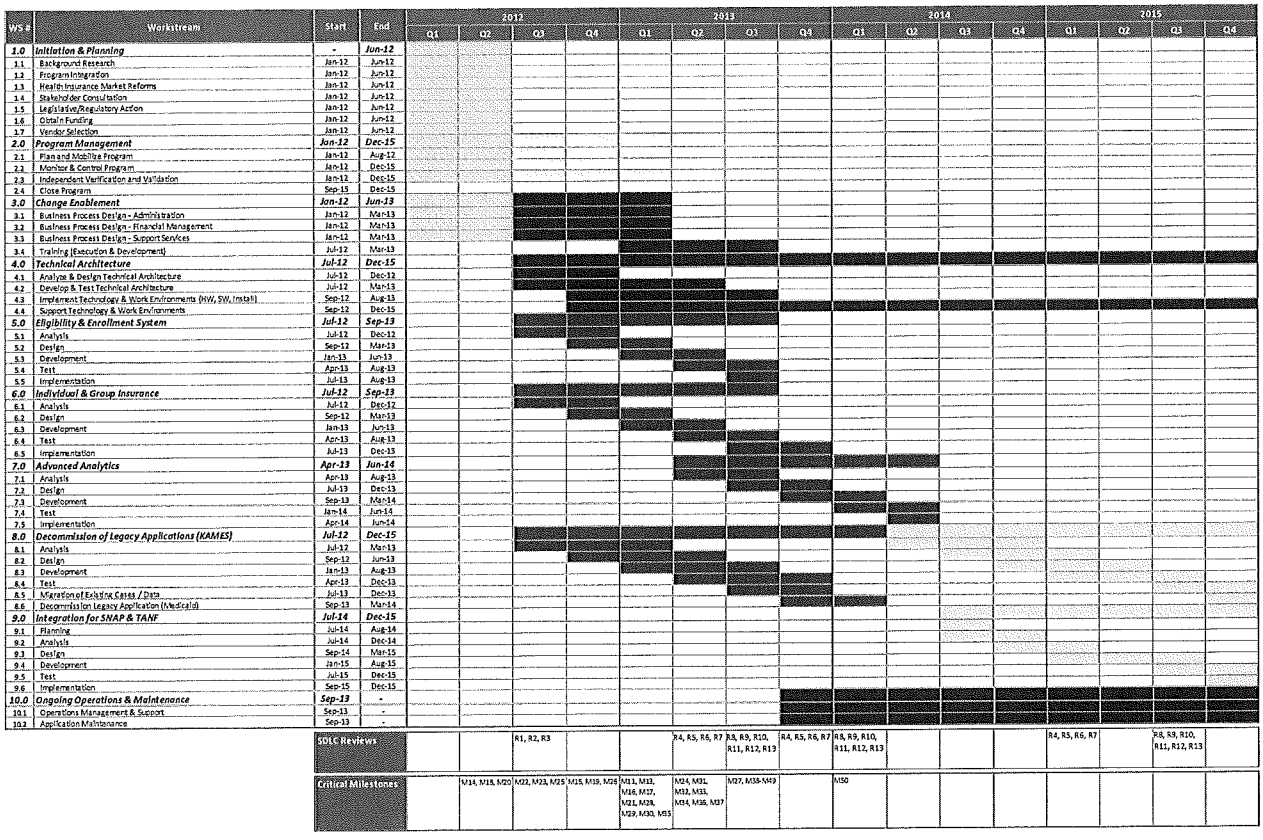
The Commonwealth of Kentucky is working diligently to define, specify and operationalize the HBE in anticipation of enrollment by 2014. The successful implementation of the HBE requires an aggressive and carefully orchestrated change initiative impacting:

- Business policy, practices and processes across multiple enterprises;
- Personnel, roles and responsibilities, and organizational structures within these enterprises; and

- Systems and technology solutions that support the new policies and practices.

The Commonwealth will utilize the Enterprise Roadmap (Appendix A), discussed previously, and the work plan to outline the work effort that will occur with the funds provided via this Level I Establishment Grant, for the one year period of February 2012 – February 2013. Together, these documents meet the expected milestones within each core area.

The Enterprise Roadmap below and also in Appendix A, provides a vision of the future principles and standards to guide the prioritization, operations and management of technologies supporting the HBE. Furthermore, the Roadmap adheres to CMS guidance for System Development Life Cycle (SDLC) Methodologies and Reviews. Each CCIIO core areas and business operation area can be mapped to one of the 10 Enterprise Roadmap Workstreams (Appendix A).



WS #	Workstream	Start	End	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
1.0	Initiation & Planning	-	Jun-12																
1.1	Background Research	Jan-12	Jun-12																
1.2	Program Integration	Jan-12	Jun-12																
1.3	Health Insurance Market Reforms	Jan-12	Jun-12																
1.4	Stakeholder Consultation	Jan-12	Jun-12																
1.5	Legislative/Regulatory Action	Jan-12	Jun-12																
1.6	Obtain Funding	Jan-12	Jun-12																
1.7	Vendor Selection	Jan-12	Jun-12																
2.0	Program Management	Jan-12	Dec-15																
2.1	Plan and Mobilize Program	Jan-12	Aug-12																
2.2	Monitor & Control Program	Jan-12	Dec-15																
2.3	Independent Verification and Validation	Jan-12	Dec-15																
2.4	Close Program	Sep-15	Dec-15																
3.0	Change Enablement	Jan-12	Jun-13																
3.1	Business Process Design - Administration	Jan-12	Mar-13																
3.2	Business Process Design - Financial Management	Jan-12	Mar-13																
3.3	Business Process Design - Support Services	Jan-12	Mar-13																
3.4	Training (Execution & Development)	Jul-12	Mar-13																
4.0	Technical Architecture	Jul-12	Dec-15																
4.1	Analyze & Design Technical Architecture	Jul-12	Dec-12																
4.2	Develop & Test Technical Architecture	Jul-12	Mar-13																
4.3	Implement Technology & Work Environments (HW, SW, Install)	Sep-12	Aug-13																
4.4	Support Technology & Work Environments	Sep-12	Dec-15																
5.0	Eligibility & Enrollment System	Jul-12	Sep-13																
5.1	Analysis	Jul-12	Dec-12																
5.2	Design	Sep-12	Mar-13																
5.3	Development	Jan-13	Jun-13																
5.4	Test	Apr-13	Aug-13																
5.5	Implementation	Jul-13	Aug-13																
6.0	Individual & Group Insurance	Jul-12	Sep-13																
6.1	Analysis	Jul-12	Dec-12																
6.2	Design	Sep-12	Mar-13																
6.3	Development	Jan-13	Jun-13																
6.4	Test	Apr-13	Aug-13																
6.5	Implementation	Jul-13	Dec-13																
7.0	Advanced Analytics	Apr-13	Jun-14																
7.1	Analysis	Apr-13	Aug-13																
7.2	Design	Jul-13	Dec-13																
7.3	Development	Sep-13	Mar-14																
7.4	Test	Jan-14	Jun-14																
7.5	Implementation	Apr-14	Jun-14																
8.0	Decommission of Legacy Applications (KAMES)	Jul-12	Dec-15																
8.1	Analysis	Jul-12	Mar-13																
8.2	Design	Sep-12	Jun-13																
8.3	Development	Jan-13	Aug-13																
8.4	Test	Apr-13	Dec-13																
8.5	Migration of Existing Cases / Data	Jul-13	Dec-13																
8.6	Decommission Legacy Application (Medicaid)	Sep-13	Mar-14																
9.0	Integration for SNAP & TANF	Jul-14	Dec-15																
9.1	Planning	Jul-14	Aug-14																
9.2	Analysis	Jul-14	Dec-14																
9.3	Design	Sep-14	Mar-15																
9.4	Development	Jan-15	Aug-15																
9.5	Test	Jul-15	Dec-15																
9.6	Implementation	Sep-15	Dec-15																
10.0	Ongoing Operations & Maintenance	Sep-13	-																
10.1	Operations Management & Support	Sep-13	-																
10.2	Application Maintenance	Sep-13	-																
	SDLC Reviews					R1, R2, R3			R4, R5, R6, R7	R8, R9, R10, R11, R12, R13	R4, R5, R6, R7	R8, R9, R10, R11, R12, R13				R4, R5, R6, R7		R8, R9, R10, R11, R12, R13	
	Critical Milestones				M14, M18, M20	M22, M23, M25	M15, M19, M26	M11, M12, M16, M17, M21, M28, M29, M30, M35	M24, M31, M32, M33, M34, M36, M37	M27, M38-M49		M50							

1.0 Workstream Activities

Workstream 1.0 - Initiation & Planning

The initiation & planning phase began with the development of the initial planning grant. Since then, the Commonwealth has been involved with activities that support the initiation and planning workstream including background research, program integration, health insurance exchange market reforms, stakeholder consultation, legislative/regulatory action, obtain funding, and vendor selection.

Workstream 2.0 - Program Management

The Program Management workstream focuses on planning, mobilizing, reviewing, and managing a program with multiple projects. Program Management is grouped in 4 stages: Plan and Mobilize, Monitor and Control, Independent Verification and Validation and Close Program. Leveraging existing management infrastructures will help the HBE:

- Reduce program costs, both from initial program set-up and ongoing monitoring and controlling.
- Increase the maturity level of the existing Program Management Office (PMO).
- Present consistent communications, governance, and interactions with stakeholders, and potentially vendors, particularly if both outsourcing and consulting work are governed under the same leadership.

Workstream 2.1 - Plan and Mobilize Program

The Plan and Mobilize workstream contains tasks necessary for setting-up, planning, and mobilizing of the HBE. Tasks in this workstream include understanding program stakeholder goals and expectations, refining the business case, confirming scope, estimating, resource planning and work planning, and other planning exercises that must be completed in order to start the program. Another part of the Plan and Mobilize activity, will be to evaluate the existing management infrastructures (current program, vendor, etc.) to determine how the program can leverage any existing management processes, tools, support services to meet the program management needs.

Workstream 2.2 - Monitor and Control Program

Monitor and Control workstream will manage and control the HBE scope. The goals of these activities are to ensure all project work efforts follow the Program Release Plan and address the release scope and requirements, and follow the change process appropriately, if changes are required. Part of the Monitor and Control workstream activities is to maintain the coordination and management support needed to ensure successful program releases. It also establishes and maintains the work plan management and time tracking processes. Tasks included in this activity involve the following, but not limited to:

- Coordinate with project manager to resolve work plan inconsistencies.
- Provide program key stakeholders with the right communications and status information in order to manage expectations associated with progress, status, and risks.
- Resolve program-level issues and ensure projects follow the proper issue management process.
- Identify risks impacting the program and execute the proper mitigation strategy to prevent them.
- Analyze quality metrics and identify and implement improvement initiatives.
- Manage ongoing relationships with program sponsor and key stakeholders. Confirm expectations and document changes.
- Manage program and project financials.

Workstream 2.3 – Independent Verification and Validations (IV&V)

Pre HHS recommendation, IV&V should be performed by parties not directly engaged in the development of the project with the purpose of assessing the correctness and quality of a project's product. Typically IV&V reviews, analyzes, evaluates, inspects, and tests the project's product and processes. This analysis includes the operational environment, hardware, software, interfacing applications, documentation, operators, and users

to ensure that the product is well-engineered, and is being developed in accordance with customer requirements.

The Commonwealth is considering contracting with a vendor assessment with the funds from this Level I Grant to determine a need and the most appropriate IV&V vendor. This vendor will be expected to do the following:

- Provide management with an independent perspective on project activities and promote early detection of project/product variances. This allows the project to implement corrective actions to bring the project back in-line with agreed-upon expectations. Objectives of performing IV&V include:
- Facilitate early detection and correction of cost and schedule variances
- Enhance management insight into process and product risk
- Support project life cycle processes to ensure compliance with regulatory, performance, schedule, and budget requirements
- Validate the project's product and processes to ensure compliance with defined requirements

Workstream 3.0 - Change Enablement

The Change Enablement activities establish and anchor the effort to facilitate transition to the target state and decrease deployment risks. During this stage the project begins to identify the stakeholders and understand how they will be affected. Knowing this information early, even at a high-level, allows the project to begin defining how best to plan, enable the change, and mitigate risks. Additionally, the definition of the target state provides a guide for where the project is headed, and the change enablement defines how the project will progress there. Through this Workstream the Commonwealth will:

- Identify all stakeholders, and determine their needs, expectations, constraints, and interfaces for all stages of the project
- Clearly articulate the target state to guide the project's path forward
- Define how to organize and govern the change structure
- Develop a change brand to provide a meaningful identity to the project
- Develop a Value Plan expressing how each part of the organization contributes to project benefits
- Define a Change Plan to address the impacts and enable people and the organization to
- Assess the effort and resources associated with the change activities required to achieve objectives

Change Enablement workstream will also define the scope of the application based on the vision, business objectives and requirements. It also defines what is not in scope. It is through this workstream that the Commonwealth will assess the current capabilities of the organization in terms of business processes, applications, technology, and change enablement. This workstream creates a detailed design in an effort to define the strategies for developing, testing, piloting, and deploying the solution. Requirement refinement will also occur in the change enablement workstream.

This workstream maps back to the HBE Operating Model, and consists of the following components:

- Business Process Design - Administration
- Business Process Design - Financial Management
- Business Process Design - Support Services
- Refine High-Level Requirements

Workstream 4.0 - Technical Architecture

The Technical Architecture workstream is described as the middleware, technical services and system software that are required to support one or more applications styles. It is the current and future set of Business Services and Technical Services, as well as their connectivity and standards, which the Commonwealth can use to plan and specify the future IT Systems of the HBE. Technical Architecture includes the following:

- Identifying a technology growth path
- Identifying specific services, both technical and business
- Defining standard interfaces to all services
- Cataloging implementation of services for other States to reference

Workstream 5.0 - Eligibility & Enrollment System

The Eligibility and Enrollment workstream will include the Analysis, Design, Development, Test, and Implementation phases for the Eligibility & Enrollment functions of the HBE, including the eligibility and enrollment functionality required to support processing eligibility for all products under the Affordable Care Act (ACA), including Medicaid and individual (subsidized and unsubsidized) and group (SHOP). This workstream will contain the core eligibility and enrollment functions required to accept and process applications for coverage, determine eligibility and calculate subsidies using the rules prescribed in the ACA, as well as process enrollments for the products available within the system. In addition to these core functions, this workstream will include Analysis, Design, Development, Test, and Implementation of the following Individual and Group Insurance functions for all major components required to run an effective and efficient eligibility and enrollment system including functions such integrated Workflow, Document Imaging, Business Rules Management, a Self Service Portal, Service Support functions, and more.

Workstream 6.0 - Individual and Group Insurance

The Individual and Group Insurance workstream will include the components exclusive to the Individual and Group Insurance products provided through the HBE. This workstream will seek a solution for all functions required to integrate private health insurance plans into the system described in the Eligibility and Enrollment System workstream, and meet the Exchange requirements of the ACA. This will include functions that are required for managing Individual and SHOP products, such as Premium Aggregation and Billing, Qualified Health Plan Certification and more. This RFP will also include Exchange specific additions to the Application Intake functionality in the first RFP such as Shop and Compare Tools and Individual Exemptions.

Workstream 7.0 - Advanced Analytics

Advanced Analytics will include Analysis, Design, Development, Test, and Implementation of Advanced Analytic capabilities necessary for the deeper level of analysis required to maintain program integrity, the sustainability of the exchange and the governance of the exchange. The work will involve development of data warehousing, data algorithms to monitor and track various metrics of the exchange and the ability to provide operational data to the management of the HBE to gain efficiencies in the established system and business processes.

Workstream 8.0 - Integration for SNAP & TANF

The Commonwealth has a future vision of integrating other state and federal programs on the HBE. While this is not included in this Level I Grant request, the Analysis, Design, Development, Test, and Implementation

required to support the integration of the Commonwealth's SNAP and K-TAP (TANF) programs is included in the Enterprise Roadmap. The future integration of these other programs has been discussed and accounted for in the requirements for the HBE. This will allow for a seamless integration, while at the same time not affecting the timeline for having the Exchange operational by the 3rd quarter of 2013.

Workstream 9.0 - Decommission of Legacy Applications (KAMES)

The Commonwealth of Kentucky will remove the Medicaid functionality in their existing integrated Eligibility and Enrollment system, KAMES, for migration to the HBE. These modifications will also include any work required for the extraction of data for migration to the HBE. In addition, the necessary modifications to KAMES to not interrupt the SNAP and K-TAP functionality, that will remain operational until the completion of the Integration of SNAP & TANF, will be addressed.

Workstream 10.0 - Ongoing Operations & Maintenance

During the Operations & Maintenance workstream, the CMS approved HBE will be released into the full-scale production environment for sustained use and operations/maintenance support. Changes and problems with the HBE may continually be identified and resolved to ensure that the technological solution meets ongoing functional and non-functional needs.

Given the one year duration of the Level I Establishment Grant, the Commonwealth will not be seeking funds for the first year of HBE operations at this time, but will do so via the Level II Establishment Grant.

SDLC Gate Reviews

The Commonwealth will also participate in the investment lifecycle (ILC) reviews and has included the reviews outlined below in the HBE Enterprise Roadmap. An integral component of the ILC are the sixteen (16) reviews within the ILC's ten (10) phases. The reviews are categorized as either Governance Reviews or Project Reviews. While the project manager will conduct the project review, the project leadership will work with CMS to ensure that Governance reviews are coordinated with CMS IT governance body, as these reviews cannot be delegated to a project manager. The ILC reviews include:

R1 – Architecture Review (AR)
R2 – Project Startup [Review (PSR)
R3 – Project Baseline Review (PBR)
R4 – Requirements Analysis Review (RAR)
R5 – Preliminary Design Review (PRD)
R6 – Detailed Design Review (DDR)
R7 – Final Detailed Design Review (FDDR)
R8 – Validation Readiness Review (VRR)
R9 – Implementation Readiness Review (IRR)
R10 – Production Readiness Review (PRR)
R11 – Authority to Operate (ATO)
R12 – Pre-Operational Readiness Review (PORR)
R13 – Operational Readiness Review (ORR)
R14 – Post Implementation Review (PIR)
R15 – Disposition Review(DR)

Evaluation Plan

As detailed in the proposal to meet program requirements, the Commonwealth has organized the HBE implementation into seven major Workstreams, each with its own detailed tasks, timelines, budget, deliverables and milestones. The evaluation plan will monitor progress and measure success within each Workstream.

The Commonwealth will use a defined project management methodology tool to evaluate progress, measure performance, and ensure success of each Workstream. The Project Manager will monitor and evaluate progress to ensure that deliverables are provided in a timely manner and within budget, and that sufficient organizational structure, work plans, processes and reporting tools are present to identify and escalate issues to the appropriate level, as needed.

The evaluation plan presented in this application includes, key indicators to be measured, baseline data for each indicator, methods and their efficacy to monitor progress and evaluate the achievement of program goals, and inclusion of plans for corrective action or timely interventions if targets are not met or unexpected obstacles delay plans, and inclusion of a plan for ongoing evaluation of HBE functions following implementation.

Key Indicators to be Measured and Baseline Data

The work plan, included in this application, identifies the principal tasks, deliverables, and timelines for the completion of milestones within each Workstream. These tasks and deliverables are the key indicators to be measured. Progress toward the completion of tasks, deliverables, and milestones will be monitored on an ongoing basis by reviewing weekly and monthly management reports. CCIIO will be provided a report of this progress through routine quarterly reports or more frequently, if requested.

Baseline Data for Each Indicator

Ongoing or recently completed deliverables and deliverable evaluations will be used as the baseline data for the key indicators. This will serve as a starting point from which progress relating to each task and achievement of deliverables will be monitored and measured as indicated above.

Methods and Their Efficacy to Monitor Progress and Evaluate the Achievement of Program Goals

As mentioned, progress toward the completion of tasks, deliverables, and milestones will be monitored on an ongoing basis by reviewing weekly, monthly, and quarterly management reports, which are submitted to CCIIO. These reports are compiled by OHP's Health Policy Specialist II, Kris Hayslett, who solicits input from the project staff, consultants, and other Kentucky State agencies responsible for specific tasks and milestones. This process has provided effective project management, support, and oversight for the planning efforts thus far and will be extended to include the report of progress relating to the next phase of implementation.

1. **Project Status Reports -** Project status reports will be formal and focus on key tasks and milestones have been completed on schedule, those running behind schedule, and the mitigation strategy for those likely to miss the original scheduled completion date. For each key task and milestone likely to be late, a mitigation strategy will be identified, defining specific actions to be taken to ensure completion within a timeline that does not compromise the timing of other tasks and milestones.
2. **Deliverables Review -** A detailed deliverable review process has been implemented in order to ensure the accurate, complete, and timely provision of project deliverables. The HBE team is committed to

producing and receiving high-quality deliverables from both internal and external sources. Core deliverables will be identified and entered into our project management software. Deliverable content, schedule, presentation, tracking, and approval process will be agreed to in advance and documented. HBE staff will agree upon the specific content, format, and acceptance criteria for all deliverables as well as the timelines and due dates for deliverables' review and completion.

Timely Interventions

Through the use of the aforementioned project management methodology, status reports, and status meetings to identify key issues and potential risks, the project management team will be able to identify deliverables that may be at risk of delay. If a deliverable is determined to be delayed for any reason, a mitigation approach will be developed and agreed upon to ensure completion and limited the impact to other critical deliverables and milestones. This may include an adjustment to the scope of work, a temporary reallocation of resources, or in rare instances, a written corrective action plan.

Exchange Issues Management List

The template below provides an example of the HBE Issues Management List that will be used for tracking issued being monitored, as well as the current status of key tasks, deliverables, and milestones—both completed and outstanding.

Project Lead	Task-Milestone- Deliverable	Due Date	Revised Date	Problem	Mitigation	Status *(Complete, On-Schedule, Late, Seriously Late)*

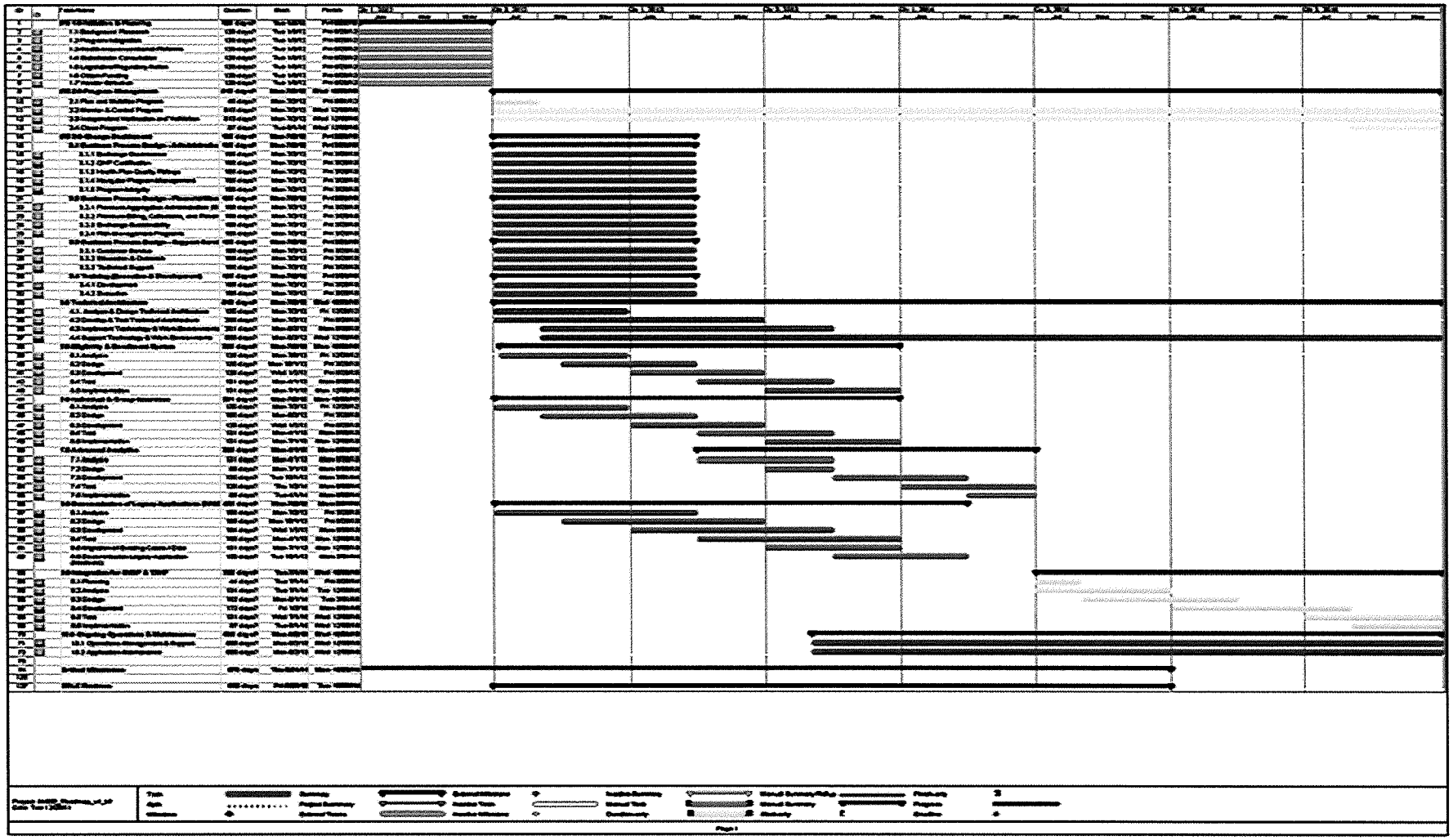
Plan for Ongoing Evaluation of Exchange Functioning Once It Is Operational

The Commonwealth is committed to robust and ongoing evaluation of HBE performance, including:

- *Measurement of Core Business Functions*: Metrics will address activities conducted by HBE staff, as well as any specific business functions performed by outside vendors.
- *Stakeholder Feedback:* Continuous feedback from key HBE stakeholders, including providers, consumers, brokers, and carriers.
- *Impact on Non-Exchange Activities*: Monitoring of any adverse impacts on non-Exchange activities, including the Medicaid Program, other state programs, and non-Exchange insurance markets.

Project Plan

Based upon the Enterprise Roadmap, a project plan was develop during the planning phase to support the next phase of development and implementation efforts



Budget Narrative

The budget narratives on the following pages outline the funding requirements of by core area and by object class category, on a quarterly basis.

Budget by Core Area

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
1. Background Research	None	$ -	$ -	$ -	$ -	$ -	$ -	Covered under original Level I Establishment Grant; no additional funds are needed.
2.Stakeholder Consultation	None	$ -	$ -	$ -	$ -	$ -	$ -	Covered under original Level I Establishment Grant; no additional funds are needed.
3. Legislative/ Regulatory Action	None	$ -	$ -	$ -	$ -	$ -	$ -	Covered under original Level I Establishment Grant; no additional funds are needed.
4. Governance	**Total Cost:**	**$ 92,000**	**$ 23,000**	**$ 23,000**	**$ 23,000**	**$ 23,000**	$ -	a. Personnel (Salaries): 1 KY Analyst @ 100% of time @ a salary of $51,816 for 12 months b. Fringe Total: Fringe (27%), FICA (7.65%), Health Insurance (5.00%), Retirement (4.90%), Life (1.00%) of Personnel (Salaries) e. Supplies: 16% of Personnel (Salaries) Other Source: N/A
	Fixed Cost	$ 92,000	$ 23,000	$ 23,000	$ 23,000	$ 23,000	$ -	
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ 51,816	$ 12,954	$ 12,954	$ 12,954	$ 12,954	$ -	
	b. Fringe Benefits (Total)	$ 23,602	$ 5,901	$ 5,901	$ 5,901	$ 5,901	$ -	
	Finge (27%)	$ 13,990	$ 3,498	$ 3,498	$ 3,498	$ 3,498	$ -	
	FICA (7.65%)	$ 3,964	$ 991	$ 991	$ 991	$ 991	$ -	
	Health (5.00%)	$ 2,591	$ 648	$ 648	$ 648	$ 648	$ -	
	Retirement (4.90%)	$ 2,539	$ 635	$ 635	$ 635	$ 635	$ -	
	Life (1.00%)	$ 518	$ 130	$ 130	$ 130	$ 130	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 8,291	$ 2,073	$ 2,073	$ 2,073	$ 2,073	$ -	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	$ 83,709	$ 20,927	$ 20,927	$ 20,927	$ 20,927	$ -	
	h. Indirect Charges	$ 8,291	$ 2,073	$ 2,073	$ 2,073	$ 2,073	$ -	
	Exchange Establishment Grant	**$ 92,000**	**$ 23,000**	**$ 23,000**	**$ 23,000**	**$ 23,000**	**$ -**	
	Other Sources	$ -	$ -	$ -	$ -	$ -	$ -	
5.Program Integration	None	$ -	$ -	$ -	$ -	$ -	$ -	Covered under original Level I Establishment Grant; no additional funds are needed.

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
6. Exchange IT System	**Total Cost:**	**$ 53,462,500**	**$ -**	**$ -**	**$ 16,160,000**	**$ 22,690,000**	**$ 14,612,500**	a. Personnel (Salaries): 11 KY Technical SMEs @ 100% of time @ a salary of $138,600 for 15 months; 2013 - 3 additions KY Technical SMEs @ 100% of time @ a salary of $138,600 for 3 months b. Fringe Total: Fringe (27%), FICA (7.65%), Health Insurance (5.00%), Retirement (4.90%), Life (1.00%) of Personnel (Salaries) d. Personnel Equipment: Hardware: $1,967,500; Software: $3,972,500 e. Personnel Supplies: 16% of Personnel (Salaries) f. Design, Build, Test Vendor - $13,770,000; Technical Architecture Vendor - $4,670,000; Implementation Vendor - $4,722,500; Conversion - $9,322,500; Asset Verification System - $560,000; Existing Systems Integration Vendor - $12,250,000 Other Source: Medicaid IAPD - $10,876,500; State Funding - $1,208,500
	Fixed Cost	$ 53,462,500	$ -	$ -	$ 16,160,000	$ 22,690,000	$ 14,612,500	
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ 1,254,576	$ -	$ -	$ 382,991	$ 382,991	$ 488,595	
	b. Fringe Benefits (Total)	$ 571,459	$ -	$ -	$ 174,452	$ 174,452	$ 222,555	
	Finge (27%)	$ 338,736	$ -	$ -	$ 103,407	$ 103,407	$ 131,921	
	FICA (7.65%)	$ 95,975	$ -	$ -	$ 29,299	$ 29,299	$ 37,377	
	Health (5.00%)	$ 62,729	$ -	$ -	$ 19,150	$ 19,150	$ 24,430	
	Retirement (4.90%)	$ 61,474	$ -	$ -	$ 18,767	$ 18,767	$ 23,941	
	Life (1.00%)	$ 12,546	$ -	$ -	$ 3,830	$ 3,830	$ 4,886	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ 5,940,000	$ -	$ -	$ 1,735,000	$ 1,735,000	$ 2,470,000	
	e. Supplies	$ 200,732	$ -	$ -	$ 61,279	$ 61,279	$ 78,175	
	f. Contractual	$ 45,295,000	$ -	$ -	$ 13,745,000	$ 20,275,000	$ 11,275,000	
	g. Total Direct Charges (a-h)	$ 53,261,768	$ -	$ -	$ 16,098,721	$ 22,628,721	$ 14,534,325	
	h. Indirect Charges	$ 200,732	$ -	$ -	$ 61,279	$ 61,279	$ 78,175	
	Exchange Establishment Grant	**$ 41,377,500**	**$ -**	**$ -**	**$ 12,507,092**	**$ 17,561,010**	**$ 11,309,399**	
	Other Sources	**$ 12,085,000**	**$ -**	**$ -**	**$ 3,652,908**	**$ 5,128,990**	**$ 3,303,101**	
7. Financial Management	**Total Cost:**	**$ 200,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ -**	a. Personnel (Salaries):2012 - 2 KY Financial Analysts @ 100% of time @ a salary of $56,322 for 12 months b. Fringe Total: Fringe (27%), FICA (7.65%), Health Insurance (5.00%), Retirement (4.90%), Life (1.00%) of Personnel (Salaries) e. Personnel Supplies: 16% of Personnel (Salaries) Other Source: N/A
	Fixed Cost	$ 200,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ -	
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ 112,644	$ 28,161	$ 28,161	$ 28,161	$ 28,161	$ -	
	b. Fringe Benefits (Total)	$ 51,309	$ 12,827	$ 12,827	$ 12,827	$ 12,827	$ -	
	Finge (27%)	$ 30,414	$ 7,603	$ 7,603	$ 7,603	$ 7,603	$ -	
	FICA (7.65%)	$ 8,617	$ 2,154	$ 2,154	$ 2,154	$ 2,154	$ -	
	Health (5.00%)	$ 5,632	$ 1,408	$ 1,408	$ 1,408	$ 1,408	$ -	
	Retirement (4.90%)	$ 5,520	$ 1,380	$ 1,380	$ 1,380	$ 1,380	$ -	
	Life (1.00%)	$ 1,126	$ 282	$ 282	$ 282	$ 282	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 18,023	$ 4,506	$ 4,506	$ 4,506	$ 4,506	$ -	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	$ 181,977	$ 45,494	$ 45,494	$ 45,494	$ 45,494	$ -	
	h. Indirect Charges	$ 18,023	$ 4,506	$ 4,506	$ 4,506	$ 4,506	$ -	
	Exchange Establishment Grant	**$ 200,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ -**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
8. Oversight and Program Integrity	**Total Cost:**	**$ 11,728,500**	**$ 286,000**	**$ 1,566,000**	**$ 3,727,000**	**$ 3,727,000**	**$ 2,422,500**	a. Personnel (Salaries): 1 KY Program Director @ 100% of time @ a salary of $100,000 for 15 months; 1 KY Program Manager @ 100% of time @ a salary of $90,000 for 15 months; 7 KY Program Leads @ 100% of time @ a salary of $82,766 year for 15 months b. Fringe Total: Fringe (27%), FICA (7.65%), Health Insurance (5.00%), Retirement (4.90%), Life (1.00%) of Personnel (Salaries) c. Travel (included in variable cost): 1 CCIIO Conference each quarter for, 2 - 4 staff members (out of state) e. Personnel Supplies: 16% of Personnel (Salaries) f. IV&V Vendor - $937,500 PMO KHBE Vendor - $8,095,500 Facility Build - $1,280,000 Other Source: Other Source: Medicaid IAPD - $2,287,575; State Funding: $254,175
	Fixed Cost	$ 11,728,500	$ 286,000	$ 1,566,000	$ 3,727,000	$ 3,727,000	$ 2,422,500	
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	**$ 769,361**	**$ 155,449**	**$ 155,449**	**$ 156,012**	**$ 156,012**	**$ 146,438**	
	b. Fringe Benefits (Total)	**$ 350,444**	**$ 70,807**	**$ 70,807**	**$ 71,064**	**$ 71,064**	**$ 66,702**	
	Finge (27%)	$ 207,727	$ 41,971	$ 41,971	$ 42,123	$ 42,123	$ 39,538	
	FICA (7.65%)	$ 58,856	$ 11,892	$ 11,892	$ 11,935	$ 11,935	$ 11,202	
	Health (5.00%)	$ 38,468	$ 7,772	$ 7,772	$ 7,801	$ 7,801	$ 7,322	
	Retirement (4.90%)	$ 37,699	$ 7,617	$ 7,617	$ 7,645	$ 7,645	$ 7,175	
	Life (1.00%)	$ 7,694	$ 1,554	$ 1,554	$ 1,560	$ 1,560	$ 1,464	
	c. Travel	$ 50,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	
	d. Equipment	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	e. Supplies	**$ 123,098**	**$ 24,872**	**$ 24,872**	**$ 24,962**	**$ 24,962**	**$ 23,430**	
	f. Contractual	$ 10,312,500	$ -	$ 1,280,000	$ 3,440,000	$ 3,440,000	$ 2,152,500	
	g. Total Direct Charges (a-h)	**$ 11,605,402**	**$ 261,128**	**$ 1,541,128**	**$ 3,702,038**	**$ 3,702,038**	**$ 2,399,070**	
	h. Indirect Charges	$ 123,098	$ 24,872	$ 24,872	$ 24,962	$ 24,962	$ 23,430	
	Exchange Establishment Grant	$ 9,186,750	$ 224,019	$ 1,226,623	$ 2,919,301	$ 2,919,301	$ 1,897,506	
	Other Sources	$ 2,541,750	$ 61,981	$ 339,377	$ 807,699	$ 807,699	$ 524,994	
9. Health Insurance Market Reforms	**None**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	Covered under original Level I Establishment Grant; no additional funds are needed.
10. Providing Assistance to individuals and Small Business, Coverage Appeals, and Complaints	**Total Cost:**	**$ 1,740,000**	**$ -**	**$ -**	**$ 100,000**	**$ 100,000**	**$ 1,540,000**	a. Personnel (Salaries): 4 KY Specialists @ 100% of time @ a salary of $56,322 for 15 months; 2013 - 2 additions KY Specialists @ 100% of time @ a salary of $56,322 for 3 months b. Fringe Total: Fringe (27%), FICA (7.65%), Health Insurance (5.00%), Retirement (4.90%), Life (1.00%) of Personnel (Salaries) e. Personnel Supplies: 16% of Personnel (Salaries) f. Training Development Vendor: $1,405,000 Other Source: Medicaid IAPD - $804,600; State Funding: $89,400
	Fixed Cost	$ 1,740,000	$ -	$ -	$ 100,000	$ 100,000	$ 1,540,000	
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ 191,495	$ -	$ -	$ 56,322	$ 56,322	$ 78,851	
	b. Fringe Benefits (Total)	$ 87,226	$ -	$ -	$ 25,655	$ 25,655	$ 35,917	
	Finge (27%)	$ 51,704	$ -	$ -	$ 15,207	$ 15,207	$ 21,290	
	FICA (7.65%)	$ 14,649	$ -	$ -	$ 4,309	$ 4,309	$ 6,032	
	Health (5.00%)	$ 9,575	$ -	$ -	$ 2,816	$ 2,816	$ 3,943	
	Retirement (4.90%)	$ 9,383	$ -	$ -	$ 2,760	$ 2,760	$ 3,864	
	Life (1.00%)	$ 1,915	$ -	$ -	$ 563	$ 563	$ 789	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 30,639	$ -	$ -	$ 9,012	$ 9,012	$ 12,616	
	f. Contractual	$ 1,400,000	$ -	$ -	$ -	$ -	$ 1,400,000	
	g. Total Direct Charges (a-h)	$ 1,709,361	$ -	$ -	$ 90,988	$ 90,988	$ 1,527,384	
	h. Indirect Charges	$ 30,639	$ -	$ -	$ 9,012	$ 9,012	$ 12,616	
	Exchange Establishment Grant	**$ 846,000**	**$ -**	**$ -**	**$ 48,621**	**$ 48,621**	**$ 748,759**	
	Other Sources	**$ 894,000**	**$ -**	**$ -**	**$ 51,379**	**$ 51,379**	**$ 791,241**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
11. Business Operations								
Certification, Recertification, and Decertification of Qualified Health Plans	**Total Cost:**	**$ 94,000**	**$ 24,000**	**$ 24,000**	**$ 23,000**	**$ 23,000**	**$ -**	a. Personnel (Salaries): Certification: 2012 - 2 KY Analysts
	Fixed Cost	$ 94,000	$ 24,000	$ 24,000	$ 23,000	$ 23,000	$ -	@ 50% of time @ a salary of $52,943 for 12 months
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	b. Fringe Total: Fringe (27%), FICA (7.65%), Health
	a. Personnel (Salaries)	$ 52,943	$ 13,517	$ 13,517	$ 12,954	$ 12,954	$ -	Insurance (5.00%), Retirement (4.90%), Life (1.00%) of
	b. Fringe Benefits (Total)	$ 24,115	$ 6,157	$ 6,157	$ 5,901	$ 5,901	$ -	Personnel (Salaries)
	Finge (27%)	$ 14,295	$ 3,650	$ 3,650	$ 3,498	$ 3,498	$ -	e. Personnel Supplies: 16% of Personnel (Salaries)
	FICA (7.65%)	$ 4,050	$ 1,034	$ 1,034	$ 991	$ 991	$ -	Other Source: N/A
	Health (5.00%)	$ 2,647	$ 676	$ 676	$ 648	$ 648	$ -	
	Retirement (4.90%)	$ 2,594	$ 662	$ 662	$ 635	$ 635	$ -	
	Life (1.00%)	$ 529	$ 135	$ 135	$ 130	$ 130	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 8,471	$ 2,163	$ 2,163	$ 2,073	$ 2,073	$ -	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	$ 85,529	$ 21,837	$ 21,837	$ 20,927	$ 20,927	$ -	
	h. Indirect Charges	$ 8,471	$ 2,163	$ 2,163	$ 2,073	$ 2,073	$ -	
	Exchange Establishment Grant	**$ 94,000**	**$ 24,000**	**$ 24,000**	**$ 23,000**	**$ 23,000**	**$ -**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
Call Center	**Total Cost:**	**$ 890,000**	**$ -**	**$ 53,000**	**$ 53,000**	**$ 394,000**	**$ 390,000**	a. Personnel (Salaries): 3 KY Recruiters @ 100% of time
	Fixed Cost	$ 890,000	$ -	$ 53,000	$ 53,000	$ 394,000	$ 390,000	@ an average salary of $39,801 for 6 months; 16 KY Call
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	Center Leads @ 100% of time @ an average salary of
	a. Personnel (Salaries)	$ 501,267	$ -	$ 29,851	$ 29,851	$ 221,909	$ 219,656	$55,196 for 6 months
	b. Fringe Benefits (Total)	$ 228,327	$ -	$ 13,597	$ 13,597	$ 101,080	$ 100,054	b. Fringe Total: Fringe (27%), FICA (7.65%), Health
	Finge (27%)	$ 135,342	$ -	$ 8,060	$ 8,060	$ 59,916	$ 59,307	Insurance (5.00%), Retirement (4.90%), Life (1.00%) of
	FICA (7.65%)	$ 38,347	$ -	$ 2,284	$ 2,284	$ 16,976	$ 16,804	Personnel (Salaries)
	Health (5.00%)	$ 25,063	$ -	$ 1,493	$ 1,493	$ 11,095	$ 10,983	e. Personnel Supplies: 16% of Personnel (Salaries)
	Retirement (4.90%)	$ 24,562	$ -	$ 1,463	$ 1,463	$ 10,874	$ 10,763	Other Source: Medicaid IAPD - $106,200; State Funding:
	Life (1.00%)	$ 5,013	$ -	$ 299	$ 299	$ 2,219	$ 2,197	$17,800
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 80,203	$ -	$ 4,776	$ 4,776	$ 35,505	$ 35,145	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	$ 809,797	$ -	$ 48,224	$ 48,224	$ 358,495	$ 354,855	
	h. Indirect Charges	$ 80,203	$ -	$ 4,776	$ 4,776	$ 35,505	$ 35,145	
	Exchange Establishment Grant	**$ 712,000**	**$ -**	**$ 42,400**	**$ 42,400**	**$ 315,200**	**$ 312,000**	
	Other Sources	**$ 178,000**	**$ -**	**$ 10,600**	**$ 10,600**	**$ 78,800**	**$ 78,000**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Exchange Website	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $236,160
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: Medicaid IAPD - $53,136; State Funding:
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,904
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 236,160**	**$ -**	**$ 17,600**	**$ 17,600**	**$ 62,400**	**$ 138,560**	
	Other Sources	**$ 59,040**	**$ -**	**$ 4,400**	**$ 4,400**	**$ 15,600**	**$ 34,640**	
Quality Rating System	**Total Cost:**	**$ 94,000**	**$ 24,000**	**$ 24,000**	**$ 23,000**	**$ 23,000**	**$ -**	a. Personnel (Salaries): Quality Rating System: 2 KY
	Fixed Cost	$ 94,000	$ 24,000	$ 24,000	$ 23,000	$ 23,000	$ -	Analyst @ 50% of time @ a salary of $52,943 for 12
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	months
	a. Personnel (Salaries)	**$ 52,943**	**$ 13,517**	**$ 13,517**	**$ 12,954**	**$ 12,954**	**$ -**	b. Fringe Total: Fringe (27%), FICA (7.65%), Health
	b. Fringe Benefits (Total)	**$ 24,115**	**$ 6,157**	**$ 6,157**	**$ 5,901**	**$ 5,901**	**$ -**	Insurance (5.00%), Retirement (4.90%), Life (1.00%) of
	Finge (27%)	$ 14,295	$ 3,650	$ 3,650	$ 3,498	$ 3,498	$ -	Personnel (Salaries)
	FICA (7.65%)	$ 4,050	$ 1,034	$ 1,034	$ 991	$ 991	$ -	e. Personnel Supplies: 16% of Personnel (Salaries)
	Health (5.00%)	$ 2,647	$ 676	$ 676	$ 648	$ 648	$ -	Other Source: N/A
	Retirement (4.90%)	$ 2,594	$ 662	$ 662	$ 635	$ 635	$ -	
	Life (1.00%)	$ 529	$ 135	$ 135	$ 130	$ 130	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	e. Supplies	**$ 8,471**	**$ 2,163**	**$ 2,163**	**$ 2,073**	**$ 2,073**	**$ -**	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	**$ 85,529**	**$ 21,837**	**$ 21,837**	**$ 20,927**	**$ 20,927**	**$ -**	
	h. Indirect Charges	$ 8,471	$ 2,163	$ 2,163	$ 2,073	$ 2,073	$ -	
	Exchange Establishment Grant	$ 94,000	$ 24,000	$ 24,000	$ 23,000	$ 23,000	$ -	
	Other Sources	$ -	$ -	$ -	$ -	$ -	$ -	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Navigator Program	**Total Cost:**	**$ 96,000**	**$ 24,000**	**$ 24,000**	**$ 24,000**	**$ 24,000**	$ -	a. Personnel (Salaries):1 KY Specialist @ 100% of time @
	Fixed Cost	$ 96,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ -	a salary of $54,069 for 12 months
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	b. Fringe Total: Fringe (27%), FICA (7.65%), Health
	a. Personnel (Salaries)	$ 54,069	$ 13,517	$ 13,517	$ 13,517	$ 13,517	$ -	Insurance (5.00%), Retirement (4.90%), Life (1.00%) of
	b. Fringe Benefits (Total)	$ 24,629	$ 6,157	$ 6,157	$ 6,157	$ 6,157	$ -	Personnel (Salaries)
	Finge (27%)	$ 14,599	$ 3,650	$ 3,650	$ 3,650	$ 3,650	$ -	e. Personnel Supplies: 16% of Personnel (Salaries)
	FICA (7.65%)	$ 4,136	$ 1,034	$ 1,034	$ 1,034	$ 1,034	$ -	Other Source: N/A
	Health (5.00%)	$ 2,703	$ 676	$ 676	$ 676	$ 676	$ -	
	Retirement (4.90%)	$ 2,649	$ 662	$ 662	$ 662	$ 662	$ -	
	Life (1.00%)	$ 541	$ 135	$ 135	$ 135	$ 135	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ 8,651	$ 2,163	$ 2,163	$ 2,163	$ 2,163	$ -	
	f. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	
	g. Total Direct Charges (a-h)	$ 87,349	$ 21,837	$ 21,837	$ 21,837	$ 21,837	$ -	
	h. Indirect Charges	$ 8,651	$ 2,163	$ 2,163	$ 2,163	$ 2,163	$ -	
	Exchange Establishment Grant	**$ 96,000**	**$ 24,000**	**$ 24,000**	**$ 24,000**	**$ 24,000**	$ -	
	Other Sources	$ -	$ -	$ -	$ -	$ -	$ -	
Eligibility determinations for Exchange participation, advance payment of premium tax credits, cost-sharing reductions, Medicaid	**Total Cost:**	**$ 295,200**	$ -	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $236,1600
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: Medicaid IAPD - $53,136; State Funding:
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,904
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 236,160**	$ -	**$ 17,600**	**$ 17,600**	**$ 62,400**	**$ 138,560**	
	Other Sources	**$ 59,040**	$ -	**$ 4,400**	**$ 4,400**	**$ 15,600**	**$ 34,640**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Enrollment Process	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $236,160
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: Medicaid IAPD - $53,136; State Funding:
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,904
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 236,160**	**$ -**	**$ 17,600**	**$ 17,600**	**$ 62,400**	**$ 138,560**	
	Other Sources	**$ 59,040**	**$ -**	**$ 4,400**	**$ 4,400**	**$ 15,600**	**$ 34,640**	
Applications and Notices	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $236,160
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: Medicaid IAPD - $53,136 ; State Funding -
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,904
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 236,160**	**$ -**	**$ 17,600**	**$ 17,600**	**$ 62,400**	**$ 138,560**	
	Other Sources	**$ 59,040**	**$ -**	**$ 4,400**	**$ 4,400**	**$ 15,600**	**$ 34,640**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Individual Responsibility Determinations	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $236,160
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: Medicaid IAPD - $53,136; State Funding:
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,904
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 236,160**	**$ -**	**$ 17,600**	**$ 17,600**	**$ 62,400**	**$ 138,560**	
	Other Sources	**$ 59,040**	**$ -**	**$ 4,400**	**$ 4,400**	**$ 15,600**	**$ 34,640**	
Administration of Advance Premium Tax Credis and Cost-Sharing Reductions	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $295,000
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: N/A
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
Adjudication of appeals of Eligibility Determinations	**None**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	Not Applicable for the grant period duration

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Notifications and appeals of Employer Liability	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $295,200
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: N/A
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
Information Reporting to IRS and enrollees	**Total Cost:**	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	f.Business Process Vendor: $295,200
	Fixed Cost	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	Other Source: N/A
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	g. Total Direct Charges (a-h)	$ 295,200	$ -	$ 22,000	$ 22,000	$ 78,000	$ 173,200	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 295,200**	**$ -**	**$ 22,000**	**$ 22,000**	**$ 78,000**	**$ 173,200**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
Outreach and Education	**Total Cost:**	**$ 2,740,000**	**$ 180,000**	**$ 830,000**	**$ 830,000**	**$ 680,000**	**$ 220,000**	f. Educational Research Vendor: $1,950,000
	Fixed Cost	$ 2,740,000	$ 180,000	$ 830,000	$ 830,000	$ 680,000	$ 220,000	Branding Vendor: $790,000
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	Other Source: Medicaid IAPD - $246,600 ; State Funding -
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	$27,400
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 2,740,000	$ 180,000	$ 830,000	$ 830,000	$ 680,000	$ 220,000	
	g. Total Direct Charges (a-h)	$ 2,740,000	$ 180,000	$ 830,000	$ 830,000	$ 680,000	$ 220,000	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 2,466,000**	**$ 162,000**	**$ 747,000**	**$ 747,000**	**$ 612,000**	**$ 198,000**	
	Other Sources	**$ 274,000**	**$ 18,000**	**$ 83,000**	**$ 83,000**	**$ 68,000**	**$ 22,000**	
Risk Adjustment and Transitional Reinsurance	**Total Cost:**	**$ 230,000**	**$ 47,500**	**$ 47,500**	**$ 47,500**	**$ 47,500**	**$ 40,000**	f.Actuarial Vendor: $230,000
	Fixed Cost	$ 230,000	$ 47,500	$ 47,500	$ 47,500	$ 47,500	$ 40,000	Other Source: N/A
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 230,000	$ 47,500	$ 47,500	$ 47,500	$ 47,500	$ 40,000	
	g. Total Direct Charges (a-h)	$ 230,000	$ 47,500	$ 47,500	$ 47,500	$ 47,500	$ 40,000	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 230,000**	**$ 47,500**	**$ 47,500**	**$ 47,500**	**$ 47,500**	**$ 40,000**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

Core Area	Budget Categories	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative
SHOP Exchange-specific functions	**Total Cost:**	**$ 200,000**	**$ -**	**$ -**	**$ 100,000**	**$ 100,000**	**$ -**	f.Business Process Vendor: $200,000
	Fixed Cost	$ 200,000	$ -	$ -	$ 100,000	$ 100,000	$ -	Other Source: N/A
	Variable Cost	$ -	$ -	$ -	$ -	$ -	$ -	
	a. Personnel (Salaries)	$ -	$ -	$ -	$ -	$ -	$ -	
	b. Fringe Benefits (Total)	$ -	$ -	$ -	$ -	$ -	$ -	
	Finge (27%)	$ -	$ -	$ -	$ -	$ -	$ -	
	FICA (7.65%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Health (5.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Retirement (4.90%)	$ -	$ -	$ -	$ -	$ -	$ -	
	Life (1.00%)	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Travel	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Equipment	$ -	$ -	$ -	$ -	$ -	$ -	
	e. Supplies	$ -	$ -	$ -	$ -	$ -	$ -	
	f. Contractual	$ 200,000	$ -	$ -	$ 100,000	$ 100,000	$ -	
	g. Total Direct Charges (a-h)	$ 200,000	$ -	$ -	$ 100,000	$ 100,000	$ -	
	h. Indirect Charges	$ -	$ -	$ -	$ -	$ -	$ -	
	Exchange Establishment Grant	**$ 200,000**	**$ -**	**$ -**	**$ 100,000**	**$ 100,000**	**$ -**	
	Other Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

Total Costs	**$ 74,223,800**
Total Exchange Establishment Grant	**$ 57,896,810**
Other Sources	**$ 16,326,990**

Budget by Object Class Category

The following table outlines the budget request for the Establishment Grant by object class category. Job descriptions for the roles outlined within the column labeled "Budget Narrative for Grant Request" are found on the next page.

Object Class Category	Funding Source	Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Budget Narrative for Grant Request
A. Salaries and Wages	Level I Grant	$ 2,392,148	$ 203,428	$ 227,309	$ 550,425	$ 704,072	$ 706,915	**Governance:** 1 KY Analyst @ 100% of time @ a salary of $51,816 for 12 months **Exchange IT Systems:** 2012 - 11 KY Technical SMEs @ 100% of time @ a salary of $138,600 for 15 months; 2013 - 3 additions KY Technical SMEs @ 100% of time @ a salary of $138,600 for 3 months **Financial Management:** KY Financial Analysts @ 100% of time @ a salary of $56,322 for 12 months **Oversight/Program Integrity:** 1 KY Program Director @ 100% of time @ a salary of $100,000 for 15 months; 1 KY Program Manager @ 100% of time @ a salary of $90,000 for 15 months; 7 KY Program Leads @ 100% of time @ a salary of $82,766 year for 15 months **Provide Assistance:** 2012 - 4 KY Specialists @ 100% of time @ a salary of $56,322 for 15 months; 2013 - 2 additions KY Specialists @ 100% of time @ a salary of $56,322 for 3 months **Certification:** 2012 - 2 KY Analysts @ 50% of time @ a salary of $52,943 for 12 months **Call Center:** 3 KY Recruiters @ 100% of time @ an average salary of $39,801 for 6 months; 16 KY Call Center Leads @ 100% of time @ an average salary of $55,196 for 6 months **Quality Rating System:** 2 KY Analyst @ 50% of time @ a salary of $52,943 for 12 months **Navigator Program Management:** 1 KY Specialist @ 100% of time @ a salary of $54,069 for 12 months
	Medicaid IAPD	$ 584,071	$ 30,319	$ 35,693	$ 139,763	$ 174,333	$ 203,962	
	State	$ 64,897	$ 3,369	$ 3,966	$ 15,529	$ 19,370	$ 22,662	
B. Fringe Benefits	Level I Grant	$ 1,089,623	$ 92,661	$ 103,539	$ 250,718	$ 320,705	$ 322,000	Fringe Benefits (27%), FICA (7.65%), Health (5.00%), Retirement (4.90%), Life (1.00%) of Salary
	Medicaid IAPD	$ 266,044	$ 13,811	$ 16,258	$ 63,662	$ 79,409	$ 92,905	
	State	$ 29,560	$ 1,535	$ 1,806	$ 7,074	$ 8,823	$ 10,323	
C. Consultant Costs	Level I Grant	$ 49,013,102	$ 209,500	$ 1,968,704	$ 14,398,592	$ 19,754,309	$ 12,681,997	Design, Build, Test - $13,770,000; Technical Architecture - $4,670,000; Implementation - $4,722,500; Conversion - $9,322,500; Asset Verification System - $560,000 Existing Systems Integration $12,250,000; IV&V Vendor - $937,500; PMO KHBE Vendor - $8,095,000; Facility Build Out- $1,280,000; Training Development Vendor - $1,400,000; Educational Research Vendor - $790,000; Branding Vendor- $1,950,000; Actuarial Vendor - $230,000; Business Process Vendor: $2,856,800
	Medicaid IAPD	$ 12,439,078	$ 16,200	$ 348,116	$ 3,565,717	$ 4,941,172	$ 3,567,873	
	State	$ 1,382,120	$ 1,800	$ 38,680	$ 396,191	$ 549,019	$ 396,430	
D. Equipment	Level I Grant	$ 4,597,285	$ -	$ -	$ 1,342,810	$ 1,342,810	$ 1,911,666	
	Medicaid IAPD	$ 1,208,443	$ -	$ -	$ 352,971	$ 352,971	$ 502,501	
	State	$ 134,271	$ -	$ -	$ 39,219	$ 39,219	$ 55,833	
E. Supplies	Level I Grant	$ 382,744	$ 32,548	$ 36,369	$ 88,068	$ 112,651	$ 113,106	Personnel Supplies: 16% of Personnel (Salaries)
	Medicaid IAPD	$ 93,451	$ 4,851	$ 5,711	$ 22,362	$ 27,893	$ 32,634	
	State	$ 10,383	$ 539	$ 635	$ 2,485	$ 3,099	$ 3,626	
F. Travel	Level I Grant	$ 39,164	$ 7,833	$ 7,833	$ 7,833	$ 7,833	$ 7,833	Travel includes 1 CCIIO Conference each quarter for, 2 - 4 staff members (out of state)
	Medicaid IAPD	$ 9,752	$ 1,950	$ 1,950	$ 1,950	$ 1,950	$ 1,950	
	State	$ 1,084	$ 217	$ 217	$ 217	$ 217	$ 217	
G. Other	Level I Grant	$ -	$ -	$ -	$ -	$ -	$ -	N/A
	Medicaid IAPD	$ -	$ -	$ -	$ -	$ -	$ -	
	State	$ -	$ -	$ -	$ -	$ -	$ -	
H. Contractual Costs	Level I Grant	$ -	$ -	$ -	$ -	$ -	$ -	N/A
	Medicaid IAPD	$ -	$ -	$ -	$ -	$ -	$ -	
	State	$ -	$ -	$ -	$ -	$ -	$ -	
I. Total Direct Costs	Level I Grant	$ 57,514,066	$ 545,971	$ 2,343,754	$ 16,638,445	$ 22,242,379	$ 15,743,517	Sum of A - H
	Medicaid IAPD	$ 14,600,840	$ 67,132	$ 407,728	$ 4,146,426	$ 5,577,729	$ 4,401,825	
	State	$ 1,622,316	$ 7,459	$ 45,303	$ 460,714	$ 619,748	$ 489,092	
J. Total Indirect Costs	Level I Grant	$ 382,744	$ 32,548	$ 36,369	$ 88,068	$ 112,651	$ 113,106	Indirect costs are 16% of Personnel (Salaries)
	Medicaid IAPD	$ 93,451	$ 4,851	$ 5,711	$ 22,362	$ 27,893	$ 32,634	
	State	$ 10,383	$ 539	$ 635	$ 2,485	$ 3,099	$ 3,626	

Level I Grant	$ 57,896,810
Medicaid IAPD	$ 14,694,291
State	$ 1,632,699
Total Costs	**$ 74,223,800**

Role Descriptions

KY Analyst - Support HBE staff efforts for implementation and ongoing operations of the HBE. Research, gather and synthesize information as requested.

KY Technical SME - Provide Exchange systems engineering expertise and subject matter expert support to HBE IT solution development programs to ensure successful solution design and delivery. Focus on defining and ensuring adherence to architecture standards. Lead the definition of technical requirements and designs software architecture to support HBE business needs. Advise in the development of technical architecture components, participate in detailed design and code reviews, review system performance, consumption issues, test plans and address/resolve technical issues.

KY Financial Analyst - Manage and execute HBE general accounting processes, including management and/or execution of core financial processes such as accounting, recordings, amortizations, monthly reporting, annual balance, bookkeeping, fiscal forms, tax declarations and half-year reports.

KY Program Director - Develop and execute HBE activities related to end-to-end project management, including project plans and estimates, scoping and requirements through implementation and deployment. Proactively monitor, manage and report on execution of deliverables.

KY Program Lead - Oversee all work delivered through the HBE including managing the teams, implementing and improving standard processes and tools to drive operational efficiencies, and meet operational and financial commitments. Support the eligibility and enrollment process, as needed, by participating in the solution design.

KY Specialist - Support the design, implementation, and ongoing operations for specific HBE business functions and functional areas. Responsible for analyzing and designing/re-designing business processes and/or defining new parts of the HBE as new legislation permits.

KY Recruiter - Perform end-to-end recruitment in line with HBE requirements, liaising with hiring managers, HR and the Commonwealth to fill approved open positions in alignment with business objectives. Source and pre-qualify candidates that match client requirements, primarily by leveraging technology, including the Internet.

KY Call Center Lead - Serve as a lead staff member to assign and monitor work for HBE Call Center Operations. Participate in the training of new staff. Handle customer complaints and complex issues. Monitor service levels and communicates issues to HBE call center supervisors. Observe the work environment to ensure compliance with established work standards, policies and procedures. Motivates and encourages Call Center representatives to meet and exceed performance goals. Monitor work flow and approves schedule changes.

Work plan

Task List

Below is a task list of many of the workstream activities hat that the Commonwealth will pursue (mappings to CCIIO core areas and business functions can be found in Appendix D).

Workstream	Leads	Activity	Timing	Outcome	Status
1.1 Background Research	Kris Hayslett, Health Policy Specialist II, OHP	Contracted with the University of Kentucky (UK) to conduct background research to include: estimates of the level of insurance and uninsured, specific characteristics of insured and uninsured populations, size of insurance market, (individual, small group and large group), number of insurers and market share, take-up rate of employer related insurance, benefits design of commercial insurance.	Feb-11 to Sept-11	Provide written report of defined scope of work.	Complete
1.2 Program Integration	Carrie Banahan, Project Manager, OHP, Debbie Keith, Director, DMS, Shari Randle, Deputy Director, OATS, and William Nold, Director, DOI	Create a high-level Exchange team, including representatives from DMS, DOI, OATS and OHP, to plan for an Exchange	Oct-10	Meet weekly to discuss agency-specific issues and plan for the Exchange.	Complete
		Draft an inter-agency agreement between DMS and OHP, and between DOI and OHP, to define Exchange roles and responsibilities of each respective agency	Jun-11	Signed contract by August 31, 2011.	Complete
		Establish an internal work group for Medicaid and Exchange specific, and a work group for DOI specific topics	Sep-11	Workgroups formed	Complete
		Use work group to create options and recommendations relating to Medicaid, Insurance, and the Exchange; operating procedures between Exchange and other state health programs; and cost allocations between Exchange grant, Medicaid and other funding streams. Coordinate work group options and recommendations with insurers and other private entities who will be involved in integration.	Oct-11to Mar-12	Prepare issue briefs and present options/ recommendations.	In-Progress
		Present options/recommendations to executive staff and policymakers	Dec-11 to Jun-12	In progress	In-Progress
		Use workgroups to support the development of Exchange policy and procedures and business process design	Jul-12 to Mar-13	Policy and Procedures Developed Business Process Design Complete	Not Started

Workstream	Leads	Activity	Timing	Outcome	Status
1.3 Health Insurance Market Reforms	William Nold, Director, DOI and Carrie Banahan, Project Manager, OHP	Discuss and consider all options for market reforms.	Aug-11 to Jan-12	Consider options.	In-Progress
		Assess future impact of an Exchange on the insurance markets in the Commonwealth of the Kentucky, including the research on the prevalence of adverse selection for individual and small group plans	Sept-11 to Jun-12	Compilation of research.	In-Progress
1.4 Stakeholder Consultation	Brenda Parker, Staff Assistant, OHP	Solicited written comment from stakeholders via a survey for input regarding operation of an Exchange	Apr-11 to May-11	Receive responses.	Complete
		Develop written report based on stakeholder written responses received in May, 2011 and distributed to public and policymakers	May-11 to Jan-11	Review responses and draft report, release report	In Progress
		Schedule stakeholder meetings in different regions of the state representing both the public and private sector to initiate active participation, share concerns, and identify potential issues	Jan-12 to Jun-12	More in-depth opinions on Exchange issues.	Not Started
1.5 Legislative/ Regulatory Action	Brenda Parker, Staff Assistant, OHP and Bill Nold, Director, DOI	Discuss and consider all options for establishing an exchange	Aug-11 to April-12	Consider options.	In-Progress
1.6 Obtaining Funding	Kris Hayslett, Health Policy Specialist II, OHP	Develop a Level I Establishment Grant to submit to the Federal Government along with the IAPD for funding	Dec-11	Provide funding summary to guide planning of the project.	Complete
		Develop a Level II Establishment Grant to submit to the Federal Government for activities from February 2013 through December 2014	Feb-12 to Jun-12	Provide funding summary to guide planning of the project	In Progress
1.7 Vendor Selection	Sherilyn Redmon, Program Coordinator, OHP	Establish Request for Proposal (RFP) to review for Vendor Selection that best fits the Commonwealth's vision of the HBE.	Dec-11 to Mar-12	RFPs are distributed	In Progress
		Conduct vendor evaluations including vendor conference, cost evaluation and solution evaluation	Mar-12 to May-12	Vendor is selected	Not Started
		Vendor contract is drafted and negotiated, where applicable	May-12	Contract is signed	Not Started
2.1 Plan and Mobilize Program ("Program Integrity")	Shari Randle, Deputy Director, OATS, and Carrie Banahan, Project Manager, OHP)	Utilize contractor to develop an operational plan to evaluate existing programs and build an Exchange structure, personnel and operating procedures. The plan will include: leveraging existing programs; integrating existing state programs; determining which functions should be performed in-house or be outsourced; and CCIIO core areas and minimum functions of the Exchange.	Aug-11 to Dec -11	Complete detail design and system requirements.	Complete
		Written report regarding proposed operational plan	Dec-11	Recommendations made	Complete

Workstream	Leads	Activity	Timing	Outcome	Status
				for Exchange operational plan.	
		Operational plan reviewed by executive staff and policymakers	Jan-12	Revise operation plan based on comments.	Not Started
		Develop detailed, task/activity level work plan	Feb-12 to Mar 12	Detailed Work plan	In-Progress
2.2 Monitor and Control Program	Brenda Parker, Staff Assistant, OHP	Develop Final Evaluation Plan	Mar-11 to Jun-12	Finalized Evaluation Plan	In Progress
		Identify key stakeholders, including HHS and CMS, as well as other Federal Agencies to participate in Exchange IT SDLC Reviews	Feb-12	Stakeholders identified	Not Started
		Develop calendar for Exchange IT SDLC Reviews	Feb-12 to Jun-13	Facilitate Exchange IT SDLC Reviews	Not Started
		Develop state financial policies to ensure proper use of grant funds	Currently exists	Developed on both a state-wide and agency level.	Complete
		Develop agency policies to bridge between state financial policies and federal grant policies	Ongoing to Apr-12	Policies for both state and federal policies.	In-Progress
		Follow appropriate HHS audit procedures	Ongoing	Audit procedures adhered to.	Not Started
2.3 Independent Verification and Validation	Shari Randle, Deputy Director, OATS,	Conduct a preliminary assessment to determine the need and initial scope of IV&V services required by the project effort	Feb-12	IV&V Vendor Assessment Complete; Select an IV&V service provider	Not Started
		Vendor contract is drafted and negotiated, where applicable	Mar-12 to Jun-12	Contract is signed	Not Started
3.1.1 Governance	Sherilyn Redmon, Program Coordinator, OHP	Research options for governance and structure. Develop governance brief to include types of governance models, structure and board, as well as standards for board to include public accountability, transparency, and prevention of conflict of interest.	Jul-11 to Apr-12	Governance brief developed.	In-Progress
3.1.3 Health Plan Quality Ratings ("Quality Rating System")	Brenda Parker, Staff Assistant, OHP	Review guidance on what quality rating system will be used to show quality of care offered by QHPs in the Exchange	Fall 2011	Guidance Reviewed	Complete
		As part of operational plan, include quality rating functionality in system business requirements for the Exchange website and complete system development of quality rating functionality	Aug-11 to Dec - 11	Complete detail design and system requirements.	Complete
		Conduct vendor assessment for Health Plan Quality Rating; include analysis of federal quality rating system in development	Feb-12 to May-12	Create RFP for Health Plan Quality Ratings	Not Started
		Conduct vendor evaluations including vendor conference, cost	May-12 to	Vendor is selected	Not Started

Workstream	Leads	Activity	Timing	Outcome	Status
		evaluation and solution evaluation	Aug-12		
		Vendor contract is drafted and negotiated, where applicable	Aug-12 to Oct-12	Contract is signed	Not Started
3.1.4 Navigator Program Management ("Navigator Program")	Brenda Parker, Staff Assistant, OHP, William Nold, Director, DOI, and Debbie Keith, Director, DMS	Receive federal guidance on Navigator program	Fall 2011	Federal guidance.	Complete
		As part of the operational plan, assess role and functions of the Navigator program, including developing high level milestones and timeframes	Aug-11 to Dec - 11	Complete detail design and system requirements.	Complete
		Determine targeted organizations in Kentucky who would quality to function as Navigators	Jan-12 to Apr-12	Potential Navigator organizations.	Not Started
		Conduct detail analysis of the Navigator role in assisting consumers, criteria for Navigator certification and the funding strategy for Navigators	Dec-11 to Jul-12	Define Navigator Role	In Progress
3.1.5 Program Integrity ("Oversight & Program Integrity")	Brenda Parker, Staff Assistant, OHP	Develop a program integrity plan to deter and detect fraud within the Exchange	Aug -11 to May -12	Completed Program Integrity Plan	In progress
		Present program integrity plan to policy makers	Sept-12	Presentation	Not Started
		Develop policy and procedures for processing reports of fraud waste and abuse, and for reporting to HHS on efforts to prevent fraud, waste, and abuse	Jul - 12 to Dec -12	Policies and Procedures drafted	Not Started
3.1.5 Program Integrity ("Oversight & Program Integrity")	Brenda Parker, Staff Assistant, OHP	As part of the operational plan, begin developing requirements for systems and program operations, including, required banking, reconciliation, collections functions, for premium aggregation for SHOP	Aug-11 to Dec - 11	Complete detail design and system requirements.	Complete
		Develop Premium Aggregation Administration policies and procedures, dunning/business rules, and business processes	Feb-12 to Sept-12	Policies and procedures finalized	Not Started
3.2.2 Premium Billing, Collections, and Reconciliation	Brenda Parker, Staff Assistant, OHP	As part of the operational plan, begin developing requirements for systems and program operations, including, required banking, reconciliation, collections functions associated with individual billing and collections	Aug-11 to Dec - 11	Complete detail design and system requirements.	Complete
		Develop Individual billing policies and procedures, dunning/business rules, and business processes	Feb-12 to Sept-12	Policies and procedures finalized	Not Started
3.2.3 Exchange Sustainability	Carrie Banahan, Project Manager, OHP and William Nold, Director, DOI	As part of the operational plan, develop options for sustainability: estimate operational costs, determine options for assessment, and make recommendations	Aug-11 to Mar-12	Options developed for sustainability and costs.	In-Progress
		Present options to executive staff and policymakers	May-12	Option reviewed.	Not Started
	Sherilyn Redmon, Program	Develop state financial policies to ensure proper use of funds	Currently exists	Already implemented.	Complete

Workstream	Leads	Activity	Timing	Outcome	Status
	Coordinator, OHP	Adhere to agency policies to bridge between state financial policies and federal grant policies	Ongoing to Apr-12	Policies applying to state funds and federal grants.	In-Progress
		As part of operational plan, assess resources, needs, and gaps to develop a financial management structure for the Exchange; develop a plan to assure sufficient resources to support ongoing operations; and assess adequacy of accounting and financial reporting systems	Jul-11 to Sept-11	Preliminary financial management structure.	In-Progress
			Oct-11 to Feb-12	Complete final financial management structure.	In-Progress
		Develop a financial model to project Exchange revenue and expenses over 5 years, recommended levels of funding required to make the Exchange self-sustaining by January 2015, and the estimated resources required for the first 5 years of operation	Nov-11 to May-12	Financial model proposal.	In-Progress
		Present proposed model to executive staff and policymakers	May-12	Recommendation for executive staff and policymakers.	Not Started
3.2.4 Risk Management Programs	William Nold, Director, DOI	Conduct detailed analysis of the Commonwealth's role in the risk management programs HHS model and cost to the HBE	Mar-12	Commonwealth's role is determined	Not Started
		Develop detailed design and cost model to support the Risk Management Programs	Jul-12 – Dec 12	Risk Program Design complete	Not Started
3.3.1 Customer Service ("Providing Assistance to Individuals and Small Businesses, Coverage Appeals & Complaints")	William Nold, Director, DOI and Kris Hayslett, Health Policy Specialist II, OHP	Establish and operate consumer assistance program within the Department of Insurance	Oct-10 and ongoing	Assistance provided to consumers.	In-Progress
		As part of operational plan, determine whether the state will operate these functions within the Exchange, what protocols are necessary, and how information will be collected and transferred, as appropriate	Aug-11 to Mar-12	Decisions on consumer assistance programs.	In-Progress
		Establish protocols for appeals of coverage determinations, including review standards, timelines, and provisions for consumers during the appeals process	Jul-12	Appeals of coverage determination protocols.	Not Started
		Draft scope of work for building capacity to handle coverage appeal functions	Aug-12	Scope of work on capacity to handle coverage appeal functions.	Not Started
		Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen QHP accountability and functioning of the Exchange	Oct-12 to Dec-12	Data reported on consumer assistance programs.	Not Started
3.3.1 Customer Service ("Call Center")	Carrie Banahan, Project Manager, OHP, Debbie Keith, Director, DMS and William Nold,	Collaboration with the state consumer assistance program (DOI) and DMS to determine if call center functions can be shared	Aug-11 to Dec-12	Understanding existing systems and functions, staffing, compatibility, training, and funding/operational costs.	In-Progress

Workstream	Leads	Activity	Timing	Outcome	Status
	Director, DOI, Kris Hayslett, Health Policy Specialist II, OHP	As part of the operational plan, identify needs and best approach to call center	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
		Develop call center customer service representative policy and procedures, call center scripts and business process re-engineering	Jul-12 to Mar-13	Policy and Procedures complete, business processes complete, scripts complete	Not started
		Hire and train call center representatives on HBE system and business processes to facilitate enrollment through various channels	May-13	Call Center staff hired	Not Started
		Launch call center	Aug-13 to Sept-13	Toll free number operational	Not Started
3.3.2 Education & Outreach ("Outreach and Education")	Kris Hayslett, Health Policy Specialist II, OHP	Contract with a state University to perform market analysis to assess outreach/education needs to determine geographic and demographic-based target areas and vulnerable populations for outreach efforts; develop outreach and education plan to include key milestones and contracting strategy; and distribute outreach and education plan to HHS and others for input	Feb-12 to May-12	Completed education and outreach plan.	Not Started
		Continue to update the Healthcare Reform web page healthcarereform.ky.gov and collect public comments	Ongoing	Information is available for the public.	In-Progress
		Continue to send notices via the Health Benefit Exchange listserv (sign-up available on the above web page) on Healthcare Reform News releases	Ongoing	Information is available for the public.	In-Progress
		Launch education and outreach strategy and continue to refine messaging based on responses and feedback from users	Jan-13 to ongoing	Launch education and outreach plan	Not Started
3.3.3 Technical Support	Shari Randle, Deputy Directory , OATS and Debbie Keith, Director, DMS	Develop technical service policy and procedures, call center scripts and business process re-engineering	Jul-12 to Mar-13	Policy and Procedures complete, business processes complete, scripts complete	Not started
		Hire and train technical support representatives on HBE system and business processes to facilitate enrollment through various channels	Oct-13	Toll free number operational	Not Started
5.0 Application Intake ("Application and Notices")	Sherilyn Redmon, Program Coordinator, OHP	Review federal requirements for applications and notices	Fall 2011	Guidance on any required federal or Exchange portions.	In-Progress
		As part of the operational plan, develop requirements for Exchange's applications and notices	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
		Begin customizing federal applications and notices to meet Kentucky's needs	Dec-11 to Jun-12	Customized applications and notices.	Not Started

Workstream	Leads	Activity	Timing	Outcome	Status
5.0 Eligibility Determinations	Carrie Banahan, Project Manager, OHP, Shari Randle, Deputy Director, OATS, and Debbie Keith, Director, DMS	Coordinate with DMS and OATS to create institutional structure to support Exchange future work	Ongoing	Regular meetings with Medicaid teams.	In-Progress
		Coordinate with DOI on Exchange planning efforts	Ongoing	Regular meetings with DOI.	In - Progress
		Release of federal guidance on many aspects of eligibility determinations and requirements	Fall 2011	Clearer understanding of eligibility processes.	In-Progress
		As part of the operational plan, develop requirements for systems and program operations including: integrating or interfacing with other program agencies to support enrollment transactions and eligibility referrals; coordinating appeals, applications, and notices; managing transitions; and communicating the enrollment status of individuals	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
		Work with DMS to facilitate building of business rules for eligibility for Medicaid	Jan-11 to Jul-12	Clear business rules across Exchange and Medicaid.	In Progress
5.0 Appeals ("Adjudication of Appeals of Eligibility Determinations" and "Providing Assistance to Individuals and Small Businesses, Coverage Appeals & Complaints"; "Notification and Appeals of Employer Liability for the Employer Responsibility Payment")	Brenda Parker, Staff Assistant, OHP	Review existing programs and appeals processes for Medicaid eligibility determinations and insurance	Nov-11 to Feb-12	Knowledge of existing programs and processes.	Complete
		Review federal requirements on appeals	Fall 2011	Understanding of federal requirements.	Complete
		As part of the operational plan, develop business processes and operational plan for appeals functions, including coordination of employer appeals with appeals of individual eligibility; and submission of relevant data to HHS	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
	William Nold, Director, DOI and Kris Hayslett, Health Policy Specialist II, OHP	Establish protocols for appeals of coverage determinations, including review standards, timelines, and provisions for consumers during the appeals process	Jul-12	Appeals of coverage determination protocols.	Not Started
		Determine Call Center/Exchange Worker and Consumer Assistance Program policy and procedures regarding Appeals	Aug-12	Scope of work on capacity to handle coverage appeal functions.	Not Started

Workstream	Leads	Activity	Timing	Outcome	Status
5.0 Self-Service Portal ("Exchange Website")	Kris Hayslett, Health Policy Specialist II, OHP, Janice Kline, Business Analyst, OATS	Release of federal guidance on Exchange website	Nov-11	Guidance on how information might have to be presented.	Complete
		Submit content for information website to HHS for comment	Sep-12	HHS feedback.	Not Started
6.0 Shop & Compare Tools ("Enrollment Process")	Kris Hayslett, Health Policy Specialist II, OHP, Janice Kline, Business Analyst, OATS	As part of the operational plan, begin developing requirements for Shop & Compare Tools (enrollment process) functions	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
6.0 Subsidy Calculators ("Exchange Calculator")	Janice Kline, Business Analyst, OATS	Release of federal guidance on Exchange calculator	Nov-11	Guidance on how information might have to be presented.	Complete
		As part of operational plan, develop requirements for systems and program operations for exchange website and calculator functions	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
		Conduct detail design of the subsidy calculator including policy and procedures and business rules	Oct-11 to Aug-12	Complete final detail design and policy and procedure	In-Progress
		Submit content for information website to HHS for comment	Sep-12	HHS feedback.	Not Started
6.0 SHOP Employer Maintenance ("SHOP-Specific Functions")	Carrie Banahan, Project Manager, OHP and William Nold, Director, Department of Insurance	Research the design and approach of the SHOP Exchange and whether it will be merged with the individual market Exchange	Sept-11 to Dec-12	Recommendations developed for SHOP Exchange.	In Progress
		Present SHOP Exchange recommendations to executive staff and policymakers	Dec-12	Recommendations approved.	Not Started
		As part of operational plan, develop requirements for systems and program operations to include administrative, financial, and reporting functions	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete
6.0 Individual Exemptions ("Exemptions from Individual Responsibility Requirements and Payment")	Sherilyn Redmon, Program Coordinator, OHP	As part of the operational plan, begin developing requirements for systems and program operations, including: accepting requests for exemptions; reviewing and adjudicating requests; and exchanging relevant information with HHS	Aug-11 to Dec-11	Complete detail design and system requirements.	Complete

Critical Milestones

The Commonwealth has identified the following milestones critical to Exchange success. Many of these critical milestones are related to the building and testing of Exchange IT systems, and their completion is critical to the successful establishment of the HBE. Thus, these milestones are also included on the Enterprise Roadmap and the HBE work plan.

# - Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M1 - Complete	Conduct a gap analysis of its existing systems and the end goal for systems development by 2014.	2011	Q1	• Exchange IT Systems - Conduct a gap analysis of its existing systems and the end goal for systems development by 2014.
M2 - Complete	Complete the review of product feasibility, viability, and alignment with Exchange program goals and objectives.	2011	Q1	• Exchange IT Systems - Complete the review of product feasibility, viability, and alignment with Exchange program goals and objectives.
M3 - Complete	Begin developing requirements for systems and program operations.	2011	Q1	• Exchange Website and Calculator - Begin developing requirements for systems and program operations. • Enrollment Process - Begin developing requirements for systems and program operations. • Exemptions from Individual Responsibility Requirement and Payment - Begin developing requirements for systems and program operations. • Premium Tax Credit and Cost-sharing Reduction Administration - Begin developing requirements for systems and program operations. • Notification and appeals of employer liability for the employer responsibility payment - Begin developing requirements for systems and program operations. • Information reporting to IRS and enrollee - Begin developing requirements for systems and program operations. • SHOP-specific Functions - Begin developing requirements for systems and program operations.
M4 - Complete	Begin developing requirements, including requirements on the Exchange side and in OASHSPs, (and other program agencies as appropriate).	2011	Q1	• Eligibility Determinations - Begin developing requirements, including requirements on the Exchange side and in OASHSPs, (and other program agencies as appropriate).
M5 - Complete	Perform detailed business process documentation to reflect current State business processes, and include future State process changes to support proposed Exchange operational requirements.	2011	Q2	• Program Integration - Perform detailed business process documentation to reflect current State business processes, and include future State process changes to support proposed Exchange operational requirements.

#- Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M6 - Complete	Initiate communication with the State HIT Coordinators, State Department of Insurance and the State Medicaid agency, and the State Human Services agency as appropriate, and hold regular collaborative meetings to develop work plans for collaboration.	2011	Q2	• Program Integration - Initiate communication with the State HIT Coordinators, State Department of Insurance and the State Medicaid agency, and the State Human Services agency as appropriate, and hold regular collaborative meetings to develop work plans for collaboration.
M7 - Complete	Execute an agreement with the State Department of Insurance.	2011	Q2	• Program Integration - Execute an agreement with the State Department of Insurance.
M8 - Complete	Execute an agreement with the State Medicaid agency, any other applicable State health subsidy program, and other specific health and human services programs as appropriate.	2011	Q2	• Program Integration - Execute an agreement with the State Medicaid agency, any other applicable State health subsidy program, and other specific health and human services programs as appropriate.
M9 – N/A – No recognized tribes in KY	In addition to general stakeholder consultation, establish, implement, and document a process for consultation with federally recognized Indian Tribal governments to solicit their input on the establishment and ongoing operation of the Exchange.	2011	Q4	• Stakeholder Consultation - In addition to general stakeholder consultation, establish, implement, and document a process for consultation with federally recognized Indian Tribal governments to solicit their input on the establishment and ongoing operation of the Exchange.
M10 - Complete	Adhere to HHS financial monitoring activities carried out for the Planning Grant and under the Establishment Cooperative Agreement.	2011	Q4	• Financial Management - Adhere to HHS financial monitoring activities carried out for the Planning Grant and under the Establishment Cooperative Agreement.
M11 – Level I	Establish a financial management structure and commit to hiring experienced accountants to support financial management activities of the Exchange, which include responding to audit requests and inquiries of the Secretary and the Government Accountability Office as needed.	2012	Q2	• Financial Management - Establish a financial management structure and commit to hiring experienced accountants to support financial management activities of the Exchange, which include responding to audit requests and inquiries of the Secretary and the Government Accountability Office as needed.
M12 – Complete	Ensure the prevention of waste, fraud, and abuse related to the expenditure of Exchange Planning and Exchange Establishment grants.	2011	Q4	• Oversight & Program Integrity - Ensure the prevention of waste, fraud, and abuse related to the expenditure of Exchange Planning and Exchange Establishment grants.
M13 – Level I	Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen QHP accountability and functioning of Exchanges.	2012	Q1	• Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints - Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen qualified health plan accountability and functioning of Exchanges.
M14 - Level I	Develop a governance model by working with stakeholders to answer key questions about the governance structure of the Exchange.	2012	Q2	• Governance - Develop a governance model by working with stakeholders to answer key questions about the governance structure of the Exchange.

# Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M15 – Level I	Complete Final requirements documentation (including System Design, Interface Control, Data Management, & Database Design).	2012	Q4	• Exchange IT Systems - Complete Final requirements documentation (including System Design, Interface Control, Data Management, & Database Design).
M16 – Level I	Begin systems development.	2013	Q1	• Exchange Website and Calculator - Begin systems development. • Enrollment Process - Begin systems development. • Exemptions from Individual Responsibility Requirement and Payment - Begin systems development. • Premium Tax Credit and Cost-sharing Reduction Administration - Begin systems development. • Notification and appeals of employer liability for the employer responsibility payment - Begin systems development. • Information reporting to IRS and enrollee - Begin systems development. • SHOP-specific Functions - Exchange Website and Calculator - Begin systems development.
M17 – Level I	Begin system development, including any systems development needed by OASHSPs. (and other programs as appropriate).	2013	Q1	• Eligibility Determinations - Begin system development, including any systems development needed by OASHSPs. (and other programs as appropriate).
M18 – Level I	Establish Governance Structure.	2012	Q2	• Governance - Establish Governance Structure.
M19 – Level I	Complete Preliminary business requirements and develop an IT architectural and integration framework.	2012	Q4	• Exchange IT Systems - Complete Preliminary business requirements and develop an IT architectural and integration framework.
M20 – Level I	Complete Systems Development Life Cycle (SDLC) implementation plan.	2012	Q2	• Exchange IT Systems - Complete Systems Development Life Cycle (SDLC) implementation plan.
M21 – Level I	Complete Preliminary and Interim development of baseline system and review and ensure compliance with business and design requirements.	2013	Q1	• Exchange IT Systems - Complete Preliminary and Interim development of baseline system and review and ensure compliance with business and design requirements.
M22 – Level I	Complete security risk assessment and release plan.	2012	Q3	• Exchange IT Systems - Complete security risk assessment and release plan.
M23 – Level I	Complete Preliminary detailed design and system requirements documentation (e.g. technical, design, etc.).	2012	Q3	• Exchange IT Systems - Complete Preliminary detailed design and system requirements documentation (e.g. technical, design, etc.).
M24 – Level II	Complete Final development of baseline system including software, hardware, interfaces, code reviews, and unit-level testing.	2013	Q2	• Exchange IT Systems - Complete Final development of baseline system including software, hardware, interfaces, code reviews, and unit-level testing.

#- Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M25 – Level I	Submit content for informational website to HHS for comment.	2012	Q3	• Exchange Website and Calculator - Submit content for informational website to HHS for comment.
M26 – Level I	Finalize IT and integration architecture. Complete Final business requirements and Interim detailed design and system requirements documentations (e.g. technical, design, etc.).	2012	Q4	• Exchange IT Systems - Finalize IT and integration architecture. Complete Final business requirements and Interim detailed design and system requirements documentations (e.g. technical, design, etc.).
M27 – Level II	Complete testing of all system components including data, interfaces, performance, security, and infrastructure.	2013	Q3	• Exchange IT Systems - Complete testing of all system components including data, interfaces, performance, security, and infrastructure.
M28 – Level I	If the State chooses to operate these functions within the Exchange, establish protocols for appeals of coverage determinations including review standards and timelines and provision of help to consumers during the appeals process.	2013	Q1	• Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints - If the State chooses to operate these functions within the Exchange, establish protocols for appeals of coverage determinations including review standards and timelines and provision of help to consumers during the appeals process.
M29 – Level I	Draft scope of work for building capacity to handle coverage appeals functions.	2013	Q1	• Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints - Draft scope of work for building capacity to handle coverage appeals functions.
M30 – Level I	Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen qualified health plan accountability and functioning of Exchanges.	2013	Q1	• Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints - Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen qualified health plan accountability and functioning of Exchanges.
M31 – Level II	Complete systems development and final user testing of informational website.	2013	Q2	• Exchange Website and Calculator - Complete systems development and final user testing of informational website.
M32 – Level II	Complete systems development and prepare for final user testing.	2013	Q2	• Enrollment Process - Complete systems development and prepare for final user testing. • Exemptions from Individual Responsibility Requirement and Payment - Complete systems development and prepare for final user testing. • Premium Tax Credit and Cost-sharing Reduction Administration -Complete systems development and prepare for final user testing. • Notification and appeals of employer liability for the employer responsibility payment - Complete systems development and prepare for final user testing. • Information reporting to IRS and enrollee - Complete systems development and prepare for final user testing. • SHOP-specific Functions - Complete systems development and prepare for final user testing.

# - Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M33 – Level I	Launch plan management and bid evaluation system to allow upload of qualified health plan bids and other required information.	2013	Q2	• Certification of Qualified Health Plans - Launch plan management and bid evaluation system to allow upload of qualified health plan bids and other required information.
M34 – Level I	Launch call center functionality and publicize 1-800 number. Prominently post information on the Exchange website related to contacting the call center for assistance.	2013	Q2	• Call Center - Launch call center functionality and publicize 1-800 number. Prominently post information on the Exchange website related to contacting the call center for assistance.
M35 – Level I	Launch information website.	2013	Q1	• Exchange Website and Calculator - Launch information website.
M36 – Level II	Collect and verify plan data for comparison tool.	2013	Q2	• Exchange Website and Calculator - Collect and verify plan data for comparison tool.
M37 – Level II	Begin final user testing, including testing of all interfaces.	2013	Q2	• Eligibility Determinations - Begin final user testing, including testing of all interfaces. • Enrollment Process - Begin final user testing, including testing of all interfaces. • Exemptions from Individual Responsibility Requirement and Payment -Begin final user testing, including testing of all interfaces. • Premium Tax Credit and Cost-sharing Reduction Administration - Begin final user testing, including testing of all interfaces. • Notification and appeals of employer liability for the employer responsibility payment - Begin final user testing, including testing of all interfaces. • Information reporting to IRS and enrollee - Begin final user testing, including testing of all interfaces. • SHOP-specific Functions - Begin final user testing, including testing of all interfaces.
M38 – Level II	Complete final user testing – including testing of all interfaces.	2013	Q3	• Exchange IT Systems - Complete final user testing – including testing of all interfaces.
M39 – Level II	Complete pre-operational readiness review to validate readiness of all system components. Complete end-to-end testing and security control validations.	2013	Q3	• Exchange IT Systems - Complete pre-operational readiness review to validate readiness of all system components. Complete end-to-end testing and security control validations.
M40 – Level II	Prepare and deploy all system components to production environment. Obtain security accreditation.	2013	Q3	• Exchange IT Systems - Prepare and deploy all system components to production environment. Obtain security accreditation.
M41 – Level II	Test comparison tool with consumers and stakeholders before open enrollment:	2013	Q3	• Exchange Website and Calculator - Test comparison tool with consumers and stakeholders before open enrollment.
M42 – Level II	Launch comparison tool with pricing information but without online enrollment function.	2013	Q3	• Exchange Website and Calculator - Launch comparison tool with pricing information but without online enrollment function.

# - Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
M43 – Level II	Launch fully functioning comparison tool with pricing information and online enrollment functions on the first day of open enrollment.	2013	Q3	• Exchange Website and Calculator - Launch fully functioning comparison tool with pricing information and online enrollment functions on the first day of open enrollment.
M44 – Level II	Determine Navigator grantee organizations and award contracts or grants.	2013	Q3	• Navigator Program - Determine Navigator grantee organizations and award contracts or grants.
M45 – Level II	Complete user testing, including full end-to-end integration testing with all other components.	2013	Q3	• Eligibility Determinations - Complete user testing, including full end-to-end integration testing with all other components. • Enrollment Process - Complete user testing, including full end-to-end integration testing with all other components. • Exemptions from Individual Responsibility Requirement and Payment -Complete user testing, including full end-to-end integration testing with all other components. • Premium Tax Credit and Cost-sharing Reduction Administration -Complete user testing, including full end-to-end integration testing with all other components. • Notification and appeals of employer liability for the employer responsibility payment - Complete user testing, including full end-to-end integration testing with all other components. • Information reporting to IRS and enrollee - Complete user testing, including full end-to-end integration testing with all other components. • SHOP-specific Functions - Complete user testing, including full end-to-end integration testing with all other components.
M46 – Level II	Begin conducting eligibility determinations for OASHSPs, coordinating all relevant business functions, and receiving referrals from OASHSPs for eligibility determination.	2013	Q3	• Eligibility Determinations - Begin conducting eligibility determinations for OASHSPs, coordinating all relevant business functions, and receiving referrals from OASHSPs for eligibility determination.
M47 – Level II	Begin enrollment into qualified health plans.	2013	Q3	• Enrollment Process - Begin enrollment into qualified health plans. • Exemptions from Individual Responsibility Requirement and Payment - Begin enrollment into qualified health plans. • Premium Tax Credit and Cost-sharing Reduction Administration - Begin enrollment into qualified health plans. • Notification and appeals of employer liability for the employer responsibility payment - Begin enrollment into qualified health plans. • Information reporting to IRS and enrollee - Begin enrollment into qualified health plans. • SHOP-specific Functions - Begin enrollment into qualified health plans.
M48 – Level II	Begin utilizing applications and notices to support eligibility and enrollment process.	2013	Q3	• Applications and Notices- Begin utilizing applications and notices to support eligibility and enrollment process.
M49 – Level II	Begin receiving and adjudicating requests.	2013	Q3	• Adjudication of Appeals of Eligibility Determinations - Begin receiving and adjudicating requests.
M50 –	Support business operations and maintenance	2014	Q1	• Exchange IT Systems - Support business operations and maintenance of all systems

# - Status	Commonwealth Milestones	Year	Qtr	Mapping to HHS Milestones
Level II	of all systems components.			components.

Health Benefit Exchange Team
Biographical Information

Carrie Banahan is the Executive Director of the Office of Health Policy (OHP). She is responsible for Health Policy Development and administration of the Certificate of Need program under the CHFS. Ms. Banahan has been employed in state government for more than 28 years and worked in various capacities with several state agencies. From 1982 to 1986, Carrie was a Medicaid case worker with the Department for Community Based Services. From 1986 to 1998, she worked in the Department for Medicaid (DMS) Services where she drafted policy manuals and regulations, assisted with implementation of a new Medicaid Management Information Systems (MMIS), and the Medicaid Managed Care Partnerships. From 1998 to 2006, she was employed by the Department of Insurance (DOI) and served in the Health Division as a Branch Manager and Division Director. She also served as DOI's Deputy Commissioner and was responsible for implementation and oversight of the HIPPA requirements, prompt pay laws for insurers, an internal and external review process for consumers, and Kentucky Access, the state's high-risk pool health insurance pool for individuals who were unable or had difficulty obtaining health insurance in the individual market.

From 2006 to 2008, Ms. Banahan served as the DMS Deputy Commissioner, where she was responsible for implementation and oversight of Kentucky Health Choices and the new MMIS, as well as assisting with the development of new waiver programs. She has an undergraduate degree in business from the University of Louisville.

Voin Barker II is a Health Policy Specialist II with the Department of Insurance. He began his service in state government as a temporary employee while attending Eastern Kentucky University, where he earned a BA degree in 2002. His temporary position eventually lead to full-time position, where he was responsible for reviewing health insurance form filings for compliance with state statutes and regulations. Currently, Mr. Barker is responsible for the compilation of data associated with Kentucky's health insurance market and is proficient in the use of computer software to demonstrate healthcare provider network adequacy.

Sharon P. Clark, a veteran of Kentucky state government, was appointed Commissioner of the Public Protection Cabinet, Department of Insurance (DOI) in July 2008. She was the first director of the DOI Consumer Protection and Education Division, a position she held for five years. Under her leadership, the Department hired its first ombudsman, added consumer education and outreach functions, and strengthened enforcement efforts by expanding the number of consumer complaint investigators. She currently serves on the executive committee of the National Association of Insurance Commissioners (NAIC), is vice chair of the NAIC's Market Regulation and Consumer Affairs Committee, and is a member of the NAIC Audit Committee, serving at secretary for the NAIC's Southeastern Zone. She is also a member and secretary of the National Insurance Producer Registry board.

Prior to being named Insurance Commissioner, Ms. Clark worked in the state's Finance and Administration Cabinet and also held positions in the Kentucky House of Representatives, Public Service Commission, and former Workforce Development Cabinet. She earned a bachelor's and a master's degree from the University of Kentucky.

Andrea Fegley is a staff attorney with the Department of Insurance. She has been a practicing health insurance attorney for nine years with experience in insurance regulation and healthcare benefits. Her areas of expertise include the PPACA, ERISA, COBRA, HIPAA, and Kentucky Insurance Code. Ms. Fegley earned a JD degree from the University of Kentucky, College of Law in 2002.

Theresa Glore has served the Commonwealth of Kentucky and other states as an agency staff member and private consultant in the public health and human services arena for over 30 years. Since April of 2009, she has been a project manager on the E-Health Project Team, housed in the CHFS, Office of Administrative and Technology Services (OATS). Her current role is in leading IT planning for the state's Health Benefit Exchange, including the development of grants and Advanced Planning Documents. Prior to this, she developed the State Strategic and Operation Plan for the Kentucky Health Information Exchange.

Ms. Glore began her career in state government as a case worker responsible for determining eligibility for Medicaid, AFDC, and food stamps. In public health, she oversaw development of the statewide care coordinator program, continuation of insurance program, and community care consortia program for persons with HIV. She instituted community health status assessment in the local health departments and managed the State Behavioral Risk Factor Surveillance Survey. She served as coordinator for the State Preventive Health & Health Services and the Maternal Child Health Title V block grants. She also served as a consultant to the state's federally funded primary care centers and State Health Policy Board, and as the state tobacco control coordinator. She served on the Health & Human Services networked health communications workgroup and the CDC/Association of State and Territorial Health Officials HIV Committee. She led a number of planning efforts in state government and as a private consultant and has served on the team of a HRSA-funded technical assistance center for state programs for children with special healthcare needs. As procurement manager for the Kentucky Department for Public Health, she oversaw the administration of over $100 million in contracts and payments to local health departments, universities, and other vendors.

Ms. Glore earned a B.A. in Political Science from Berea College and an M.S. in Community Development with a focus on community health systems development from the University of Louisville. Additionally, she holds a certificate in healthcare mediation and conflict resolution from the Harvard School of Public Health and has completed post-graduate study in mediation and citizen engagement in public policy development at Antioch University.

Kris Hayslett is a Health Policy Specialist II with the Office of Health Policy. She earned a bachelor's degree in Education and master's degree in Health Promotions from the University of Kentucky. She has worked for CHFS since 2006, administering the Long Term Care Report, reviewing certificate of need six-month progress reports, and assisting with special projects, as needed. Before coming to CHFS, she worked as an associate professor for the University of Kentucky.

Debbie Keith is the current Director of the DMS Division of Member Services. She has worked in the CHFS for 33 years, with a primary focus on eligibility policies, eligibility systems, and member services. For the past six years, Debbie has served as the lead Medicaid Eligibility policy person for Kentucky. In this role, she was a voting member of the steering committee for the Kentucky Automated Management and Eligibility System (KAMES) and currently serves as the primary policy staff person for the member sub-system within the Kentucky MMIS.

Janie Miller was appointed Secretary of the CHFS by Gov. Steve Beshear in January 2008. She brings more than 30 years of experience to the position, including 21 years developing and administering health care programs. Her career also includes more than 15 years of service in the former state Cabinet for Human Resources.

Prior to her appointment as Secretary of the CHFS, Secretary Miller held the position of Deputy Director of Budget Review for the Kentucky Legislative Research Commission. In this role, she was responsible for assisting legislators in developing budget bills for all three branches of state government.

Under Governor Paul Patton, Ms. Miller served as Public Protection Cabinet Secretary from May 2002 to November 2003, continuing in the role of Commissioner of the Kentucky Department of Insurance while serving as Cabinet Secretary. She also has served as Deputy Commissioner of Health Insurance in the DOI. Secretary Miller has an undergraduate degree in social work from Eastern Kentucky University.

Jill Mitchell is an Insurance Program Manager with the Department of Insurance. She earned an undergraduate degree in business administration from Morehead State University and, after working a number of years in the private sector, she became an employee of the DOI, serving as a Health Policy Specialist II. She held that position for two years and for the past eight and a half years, she has served as Administrative Branch Manager for rates and forms in the Health and Life Insurance Division. Her experience involves all aspects of health insurance regulation.

William J. (Bill) N**old** is the Director of the Health and Life Division in the Department of Insurance. From 2001 to 2008 he served as an attorney in the Legal Division of the DOI. From 2001 to 2004, he was primarily responsible for addressing legal issues associated with health insurance. From 2004 to 2008, he was primarily responsible for representation of the Commissioner regarding the AIK Comp rehabilitation. Bill is a life-long resident of Louisville and from 1974 to 2000 was engaged in the general practice of law with offices in Louisville. From 1998 through 2000, he served as a Domestic Relations Commissioner in Jefferson County. Mr. Nold is a graduate of the University of Kentucky with a degree in Mechanical Engineering (1968), and earned a juris doctor degree from the University of Louisville School of Law in 1974.

Brenda M. Parker is a registered nurse and currently serves as a Staff Assistant in the CHFS Office of Health Policy. She earned a bachelor's degree in nursing from Bellarmine University (1990) and master's degree in community health nursing from the University of Kentucky, College of Nursing (1995). She has practiced nursing in the acute care setting intermittently from 1969 to 2000, and began her public service career in 1987, as a nurse consultant-inspector with the DMS Surveillance and Utilization Review Division, transferring to the Individual and Group Services Branch, where she served from 1991 to 1998. In 1998, she was appointed as a nurse consultant-inspector to serve in the Kentucky Department of Insurance where she assisted in the implementation of numerous healthcare reforms, including healthcare laws relating to quality and patient protections. In the DOI, she also served as a branch manager in the Health Insurance Policy and Managed Care Division (2005 – 2008), where she was directly involved in the implementation of federal and state health insurance rules and regulations, and drafted numerous state health insurance regulations. Brenda also served as an independent contractor providing health consulting services to the DMS from 2009 to 2011.

Sherilyn (Sheri) Redmon came to the Office of Health Policy in February 2011. She received her BBA and MBA degrees from Eastern Kentucky University, with an emphasis on healthcare administration. She has worked for Kentucky State Government extensively, beginning as an auditor with the Auditor of Public Accounts. In this position, she audited state agencies and federal assistance programs, providing a good background in state agency operations and federal assistance accounting, and program requirements. She also worked for 20 years in the DMS, serving as an accountant, policy analyst, and branch manager. She has worked with numerous contractors throughout her tenure, and drafted several major Requests for Proposals for contractor services, as well as overseeing revisions to regulations. In her position as branch manager, she became very familiar with Medicaid program policies, as well as numerous administrative requirements for government services.

Melea Rivera is an Insurance Program Manager with the Department of Insurance. She earned an Associate of Arts degree in paralegal studies from Eastern Kentucky University and began her career in state government as a paralegal in the Legal Division, where she served for five years. In this position,

Ms. Rivera was involved in all aspects of insurance regulation. For the past five years, Melea has served in the Health and Life Insurance Division.

Deborah (DJ) Wasson received her degree in paralegal studies from Eastern Kentucky University in 1990. She was first employed with the Department of Insurance in1992, as a paralegal. From 1996 – 2003, she served as Principal Assistant to the Commissioner. In that capacity, Ms. Wasson provided assistance with drafting legislation and administrative regulations, implementing healthcare initiatives, drafting publications and coordinating the agency's legislative package. In 2003, Ms. Wasson became an Insurance Program Manager for the Office of Insurance, managing its legislative and administrative regulation programs and overseeing its local government premium tax unit. From July 2006 through August 2007, Ms. Wasson assumed the roles of Acting Director of the Health Insurance Policy and Managed Care Division and Acting Deputy Executive Director, overseeing the Life Insurance Division, Health Insurance Policy and Managed Care Division, Kentucky Access and the Insurance Coverage and Affordability Relief for Small Employers (ICARE) Program. She now serves as a Staff Assistant to the Commissioner and the DOI Legislative Liaison.

Neville Townsend Wise was appointed Acting Commissioner of the Department for Medicaid Services by Governor Steve Beshear in the spring of 2011. He brings more than twenty-two years of upper management leadership to the position, including service as a Medicaid Services Assistant Director, responsible for the Physician, Dental, Primary Care, Pharmacy, and ten other state Medicaid programs; Medicaid eligibility and regulation development, and development of a Medicaid Customer Service function (1996 – 1999); development of a Program Integrity Function and Non-Emergency Medical Transportation program (1999 - 2001); and contract monitoring of Medicaid Managed Care (Partnership) plans (2001 – 2005).

Between 2005 and 2010, Mr. Wise served as the DMS Director of Medicaid Financial Management and Reporting and was responsible for financial analysis, budget development, and reimbursement of Medicaid providers. At the same time, he was appointed and served as DMS Deputy Commissioner in the fall of 2009 and held this position until his appointment as Acting Commissioner in the fall of 2010. Commissioner Wise has a graduate degree in Public Administration and undergraduate degrees in Agricultural Economics and Business Administration from the University of Kentucky.

Shari Randle is the Director of the Division of Systems Management (DSM) for the Kentucky Cabinet for Health and Family Services (CHFS), she is responsible for a staff of 220 IT professionals and a number of mission critical systems, including the Medicaid Management Information System (MMIS); Kentucky All Scheduled Prescription Monitoring Program (KASPER); The Worker's Information System (TWIST) for child and adult protective services; Kentucky Automated and Eligibility System (KAMES) that supports eligibility determination for SNAP, Medicaid, TANF and the State's other income maintenance programs; Kentucky Integrated Child Care System (KICCS), and systems that support State vital statistics and electronic death reporting.

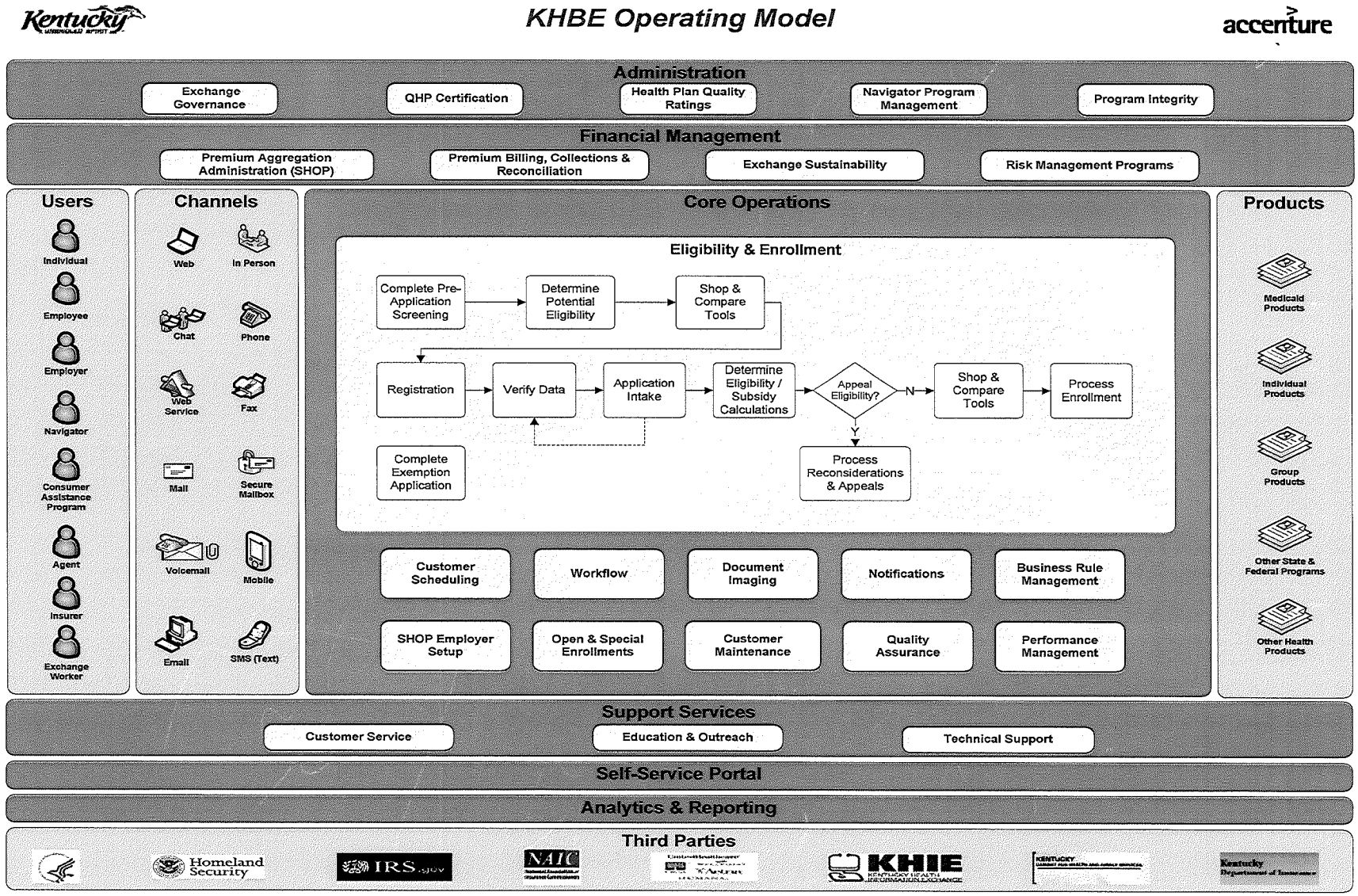
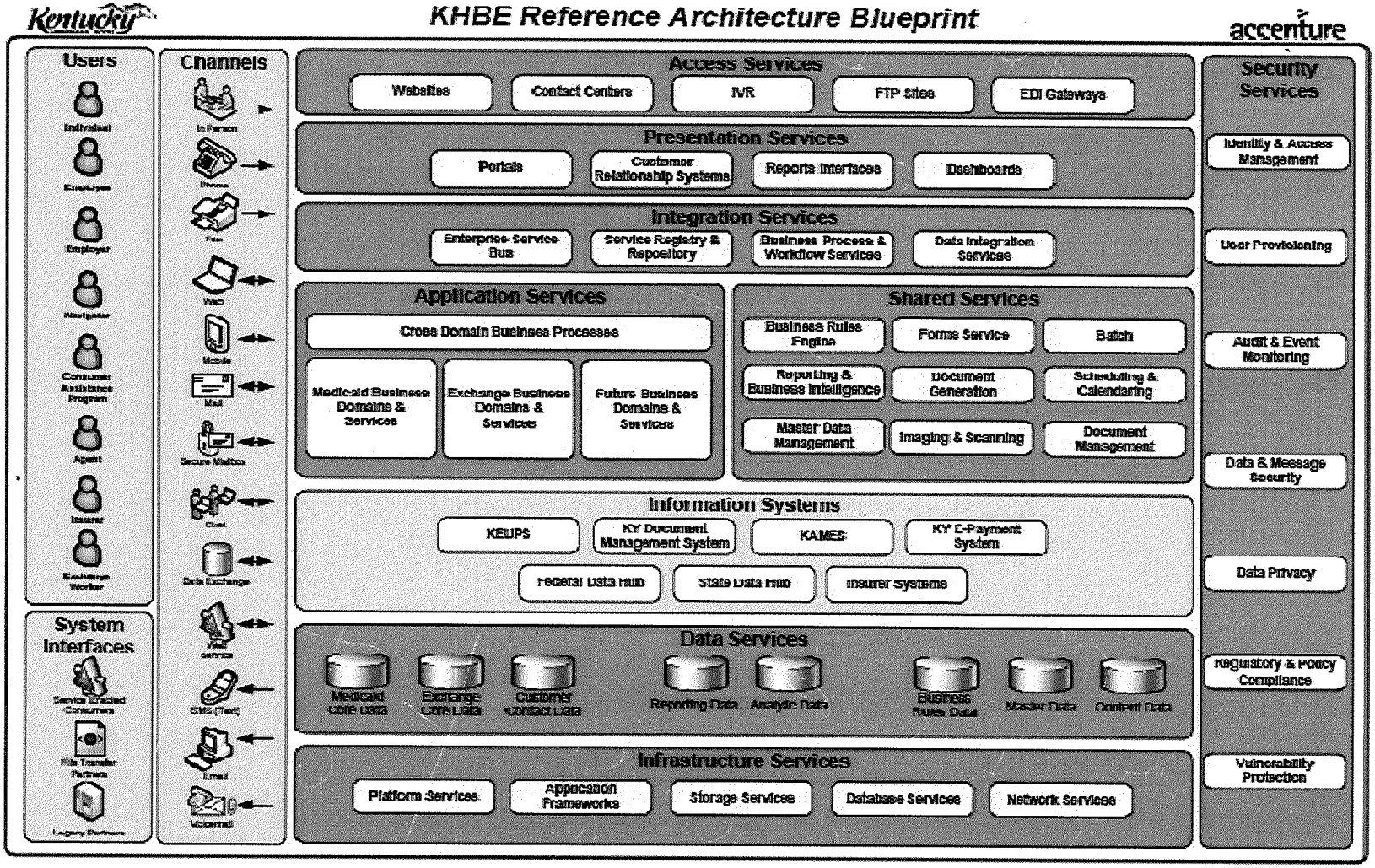
Ms. Randle is also responsible for a number of e-Health initiatives, including the Kentucky Health Information Exchange (KHIE), one of the few fully operational state health information exchanges in the nation, and the Medicaid Meaningful Use Provider Incentive Payments program.

A graduate of Western Kentucky University with a B.S. in Computer Science and Minors in Math and Accounting, Ms. Randle has served as the CHFS Information Systems Manager and as Systems Engineer/Information Systems Manager. She began her career as a Systems Engineer with IBM.

Appendix A – Enterprise Roadmap

WS #	Workstream	Start	End	2012				2013				2014				2015			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.0	***Initiation & Planning***	-	***Jun-12***																
1.1	Background Research	Jan-12	Jun-12																
1.2	Program Integration	Jan-12	Jun-12																
1.3	Health Insurance Market Reforms	Jan-12	Jun-12																
1.4	Stakeholder Consultation	Jan-12	Jun-12																
1.5	Legislative/Regulatory Action	Jan-12	Jun-12																
1.6	Obtain Funding	Jan-12	Jun-12																
1.7	Vendor Selection	Jan-12	Jun-12																
2.0	***Program Management***	***Jan-12***	***Dec-15***																
2.1	Plan and Mobilize Program	Jan-12	Aug-12																
2.2	Monitor & Control Program	Jan-12	Dec-15																
2.3	Independent Verification and Validation	Jan-12	Dec-15																
2.4	Close Program	Sep-15	Dec-15																
3.0	***Change Enablement***	***Jan-12***	***Jun-13***																
3.1	Business Process Design - Administration	Jan-12	Mar-13																
3.2	Business Process Design - Financial Management	Jan-12	Mar-13																
3.3	Business Process Design - Support Services	Jan-12	Mar-13																
3.4	Training (Execution & Development)	Jul-12	Mar-13																
4.0	***Technical Architecture***	***Jul-12***	***Dec-15***																
4.1	Analyze & Design Technical Architecture	Jul-12	Dec-12																
4.2	Develop & Test Technical Architecture	Jul-12	Mar-13																
4.3	Implement Technology & Work Environments (HW, SW, Install)	Sep-12	Aug-13																
4.4	Support Technology & Work Environments	Sep-12	Dec-15																
5.0	***Eligibility & Enrollment System***	***Jul-12***	***Sep-13***																
5.1	Analysis	Jul-12	Dec-12																
5.2	Design	Sep-12	Mar-13																
5.3	Development	Jan-13	Jun-13																
5.4	Test	Apr-13	Aug-13																
5.5	Implementation	Jul-13	Aug-13																
6.0	***Individual & Group Insurance***	***Jul-12***	***Sep-13***																
6.1	Analysis	Jul-12	Dec-12																
6.2	Design	Sep-12	Mar-13																
6.3	Development	Jan-13	Jun-13																
6.4	Test	Apr-13	Aug-13																
6.5	Implementation	Jul-13	Dec-13																
7.0	***Advanced Analytics***	***Apr-13***	***Jun-14***																
7.1	Analysis	Apr-13	Aug-13																
7.2	Design	Jul-13	Dec-13																
7.3	Development	Sep-13	Mar-14																
7.4	Test	Jan-14	Jun-14																
7.5	Implementation	Apr-14	Jun-14																
8.0	***Decommission of Legacy Applications (KAMES)***	***Jul-12***	***Dec-15***																
8.1	Analysis	Jul-12	Mar-13																
8.2	Design	Sep-12	Jun-13																
8.3	Development	Jan-13	Aug-13																
8.4	Test	Apr-13	Dec-13																
8.5	Migration of Existing Cases / Data	Jul-13	Dec-13																
8.6	Decommission Legacy Application (Medicaid)	Sep-13	Mar-14																
9.0	***Integration for SNAP & TANF***	***Jul-14***	***Dec-15***																
9.1	Planning	Jul-14	Aug-14																
9.2	Analysis	Jul-14	Dec-14																
9.3	Design	Sep-14	Mar-15																
9.4	Development	Jan-15	Aug-15																
9.5	Test	Jul-15	Dec-15																
9.6	Implementation	Sep-15	Dec-15																
10.0	***Ongoing Operations & Maintenance***	***Sep-13***	-																
10.1	Operations Management & Support	Sep-13	-																
10.2	Application Maintenance	Sep-13	-																
	SDLC Reviews					R1, R2, R3			R4, R5, R6, R7	R8, R9, R10, R11, R12, R13	R4, R5, R6, R7	R8, R9, R10, R11, R12, R13				R4, R5, R6, R7		R8, R9, R10, R11, R12, R13	
	Critical Milestones				M14, M18, M20	M22, M23, M25	M15, M19, M26	M11, M13, M16, M17, M21, M28, M29, M30, M35	M24, M31, M32, M33, M34, M36, M37	M27, M38-M49		M50							

Appendix B – HBE Operating Model



Appendix C – HBE Reference Architecture Blueprint