Overview

The Pennsylvania Insurance Department ("PID") plans to use its Exchange Planning Grant to assist it in identifying, collating, and presenting the information on which the Commonwealth may make an informed decision whether to establish and implement the Pennsylvania Exchange.[1] The Commonwealth must determine if it will establish and implement the Pennsylvania Exchange. At this time, the Commonwealth has made no determination to form a state-based exchange under the ACA.

The work performed through this grant tracks the core areas identified in the Grant Announcement, as explained below.

Background

Pennsylvania, using both internal resources and a consultant, expects to identify currently available and usable research and identify additional background research that may be needed. This includes:

- Identify existing background information and what additional background information may be useful concerning the Pennsylvania insured markets (individual, small group and large group), the Pennsylvania uninsured market, and the Pennsylvania self-insured market. For purposes of this study, note that the small group market in Pennsylvania has been defined as 2-50, but will be expanded by no later than 2016 to 1-100 under the ACA. The study should account for both market size differentiations.

- Identify existing research and what additional research may be useful in order to develop reasonable working assumptions concerning what health insurance products and benefit levels, and what public programs, are likely to be accessed by the different markets.

- Identify existing research and what additional research may be useful in order to develop reasonable working assumptions concerning the volume of activity in the health insurance market (both in and out of the Exchange) and in public programs, once the Exchange becomes operational.

- Identify existing research and what additional research may be useful in order to address other issues related to implementation of an Exchange, including but not limited to the timing of the expansion in size of the small group market, possible merger of the individual and small group markets, expansion of Exchange eligibility to large group market (>100), and risk adjustment mechanisms.

[1] The exchange to be established and implemented in Pennsylvania under the ACA, whether by the Commonwealth or the federal Department of Health and Human Services, is hereafter referred to as the "Pennsylvania Exchange" or "Exchange."

Stakeholder Involvement

Pennsylvania, using both internal resources and a consultant, expects to develop a plan to solicit participation by stakeholders in exchange development. This is expected to include identification of stakeholders, identification of issues to be addressed, and proposed timing of the stakeholder communications. The plan is expected to be modeled to demonstrate how the plan may be carried out, and may use electronic options.

Pennsylvania, using both internal resources and consultants, also expects to conduct online surveys and hold informational sessions to gather input from people around the state to assist it in determining whether to establish and implement a state-based exchange. These forums will seek to receive stakeholder feedback that would inform the design of the exchange and messaging, if the decision is made to move forward.

Program Integration

Pennsylvania, using both internal resources and a consultant, expects to analyze options for integration of information technology and other resources supporting the public programs that may be accessed through the Exchange and the private insurance that may be offered through the Exchange. This includes:

- Identify options for how the Exchange may provide meaningful information and choice to consumers, and make enrollment by consumers in the private insurance plan of their choice or the appropriate public program based upon eligibility through a straightforward and understandable process.

- Analyze what will be required for the Exchange to identify information to be reported to federal agencies for purposes of demonstrating an employer's or individual's compliance with requirements of the ACA and/or eligibility for subsidies.

- Analyze how public programs may be technologically integrated into the Exchange to provide efficient eligibility determinations, enrollment in and transition between public programs and private insurance.

Resources and Capabilities

Pennsylvania, using both internal resources and a consultant, expects to assess current and future staff levels, facilities requirements, and information technology needs. This includes:

- Assess the current staff and information technology available to support Exchange planning and implementation.

- Analyze staff levels, facilities, and information technology needed to bring Exchange planning and implementation to fruition, showing variations dependent on decisions

regarding governance and operational model selected for the Pennsylvania Exchange.

- Analyze impact on staffing, facilities, and information technology needed for Pennsylvania's public programs, of various governance and operational models.

Governance

Pennsylvania, using both internal resources and a consultant, expects to develop models showing alternative administrative and governance structures for the Pennsylvania Exchange.

Finance

Pennsylvania, using both internal resources and a consultant, expects to model potential frameworks for financial operations of the Exchange. This includes:

- Identify both public and private funding sources that may be available to the Commonwealth for the initial formation of the Exchange.

- Model self-sustaining financial operations of the Exchange under the different governance models permitted by the ACA.

- Analyze and develop requirements for financial operations that address accounting procedures, auditing standards, transparency to the public, and reporting to government overseers and legislature.

Technical Infrastructure

Pennsylvania, using the services of Navigant, Inc., a consultant then under contract through its Department of Public Welfare, conducted an IT gap analysis that resulted in a Technology Options Assessment.

Pennsylvania, using both internal resources and a consultant, expects to create a project plan for technical infrastructure and consumer communications. This includes:

- Review study performed by Navigant, Inc. and identify options for next steps for technical infrastructure.

- Develop model for consumer communications related to all phases of the Exchange – public programs, private insurance, subsidies, etc. – and reflecting various mechanisms for consumer access.

Pennsylvania, using both internal resources and a consultant, expects also to assess current and

future information technology needs. This includes:

- Assess the current information technology available to support Exchange planning and implementation.

- Analyze information technology needed to bring Exchange planning and implementation to fruition, showing variations dependent on decisions regarding governance and operational model selected for the Pennsylvania Exchange.

- Analyze impact information technology needed for Pennsylvania's public programs, of various governance and operational models.

Business Operations

Pennsylvania, using both internal resources and a consultant, expects to identify operational and other planning requirements for different governance models permitted by the ACA, modeling the functional operations of the Exchange under the different governance models permitted by the ACA. This may include but not be limited to staffing, facilities, human resources issues, technology requirements, administration, financial requirements, and liability issues.

Pennsylvania, using both internal resources and a consultant, also expects to model potential frameworks for business operations of the Exchange. This includes:

- Model the business operations of the Exchange under the different governance models permitted by the ACA.

- Analyze how both navigators and producers may be integrated into Exchange operations.

Regulatory or Policy Actions

Pennsylvania anticipates using the information and analysis developed in the other core areas to identify the critical policy decisions that must be made and the optimal order in which those decisions should be made, along with the corresponding issues and analyses required to make those decisions, all of which will assist Pennsylvania in determining whether to form a state-based exchange.