

EXCHANGE IT GAP ANALYSIS WEBINAR
February 23, 2011

PROCEEDINGS

OPERATOR: Good afternoon. My name is Dawn, and I will be your conference operator today.

At this time I would like to welcome everyone to the Exchange IT Gap Analysis Webinar. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question and answer session. If you would like to ask a question during this time, simply press star and then the number one on your telephone key pad. If you would like to withdraw your question, press the pound key. Thank you.

Mrs. Susan Lumsden, you may begin your conference.

Mrs. Lumsden: All right. Thank you very much. Hello, everyone. And the speakers, what you may want to do, the speakers that we have, Greg, Craig, and Clark, you may just want to put your phones on mute so we don't get background noise until we have you presenting. We are very pleased. We had a lot of requests for this Webinar. A lot of grantees with their planning grant funds for Exchanges, a lot of them are using the funds to do their IT gap analysis. So we wanted to go through some activities that you may consider doing with your planning grant funds, but then we'd like to turn it over to our speakers.

We have speakers in our office who are going to walk people through some key consideration to consider when doing your gap analysis, and we are also very fortunate to have our grantee from Wisconsin who has just been awarded an IT Innovator grant, to go through from their perspective some things that you should consider when you're conducting your IT gap analysis.

But first what I'd like to do is just begin with some of the things that you may consider doing with your planning grant funds. In terms of as you look towards the establishment funding opportunity announcement, you'll notice in the benchmarks and most of the things that we've put out to date under information technology, they include doing certain activities. So the Exchange takes certain steps towards the first phase of development of Exchange IT systems.

So some of the example activities that you could do with your planning grant funds are to review the IT guidance that came out from us back in November. Both CMS and CCIIO at the time put out IT guidance. I think it was back in November, relating to the Exchange and Medicaid in terms of updating that based on looking at your systems, and to really plan on building Exchange IT systems that are cost effective, consumer oriented, and take into account the interest of employers, especially small businesses.

Another thing that states could do with their planning grant funds is to coordinate with other states, including the early innovators that we just awarded last week, for IT planning activities and structural plans, and that may -- you may end by creating an information infrastructure plan that assesses existing information systems, identifies gaps in needs, and proposed strategies to achieve that seamless, eligibility and enrollment in health coverage.

Grantees may also use their planning grant funds to assess system integration of the Legacy system, such as Medicaid, the financial accounting and reporting, and the interface with the Exchange information systems that are going to be required, and also use planning grant funds to identify and

estimate costs for integrating Exchange eligibility and enrollment processes with those for Medicaid and other programs.

And then finally, to begin the procurement plan to expand or acquire IT systems for the Exchange and our eligibility systems.

And also, to consider the cost allocation implications as you're looking at procuring your IT systems for your Exchange, you'll also want to see how that will interface with your Medicaid eligibility and enrollment systems and the cost allocation implications of doing that.

So with that, I'm going to turn it over. Before we begin with this Webinar, I just wanted -- one of the requests that we've had for quite a while from you all is to please put up a portal that you all could communicate through, that you could put documents up in, might be MOUs that you have between the Department of Insurance and the Medicaid Department, might be your own IT gap analysis. It might be the slides from the Webinars.

So I want to introduce Katherine Harkins. She's been working on that for the past month and a half, and she just wants to give you a quick update because we're going to be rolling this out over the next couple of weeks.

MS. HARKINS: Thanks, Susan. So I'm just going to spend a couple minutes introducing you to what Susan alluded to, and then we'll get to the headline act for the afternoon. So after the all grantee meeting in December, we heard, as Susan said, from a lot of you that what would really be useful is an online repository where we could communicate and share materials with your fellow grantees and with other state planners.

I know I've heard from many of my grantees out in Region VII and VIII that if you have other resources that struck up in the meantime -- I know that NASHP had a couple -- but what I want to talk to you about really concerns an HHS resource that we're going to be rolling out to you quite soon.

A few of you may already be familiar with the tool called HHS Enterprise Portals. For those who aren't, it's similar to other portal applications, like SharePoint, that give you through the secured Website to access a range of applications, links, and other services.

In our case, as Susan said, it will be a place for our grantees to collaborate and share materials as they move along in the Exchange implementation process. We'll have a calendar with important program dates and info, like Webinars and call-in numbers; a message board; and document storage that will give you easy access to Webinar slides, written guidance, and other technical assistant materials, but we're hoping it will be a place for you all to share the materials you develop that you're willing to share with other states and to talk through issues with one another in between Webinars and all grantee meetings.

I've always felt, and I hear the same from many of my grantees, that there is tremendous potential in state-to-state collaboration on a lot of these issues, and we as a project team at CCIIO want to continue to facilitate that however we can.

So as Susan said, based on our project calls what you would really like to see, the sample MOUs between Department of Insurance and Medicaid and other state agencies, the gap analyses we'll talk about today.

We have already tested this portal with grantees in a handful of states, and we thought that went really well, and testers reported to be intuitive and reasonably user friendly, and we'll be introducing it to everyone soon.

So that's it. I'm always happy to hear ideas and feedback. So in the meantime, just be on the lookout for login details and instructions from your project officer. I don't, unfortunately, think we have time for questions on that right now, but you can feel free to e-mail me, Katherine Harkins, or your project officer after the Webinar. Shambrekia.

MS. WISE: Good afternoon. My name is Shambrekia Wise, and I'm the project officer for Region VI in CCIIO's Office of Health Insurance Exchanges. I'd like to thank you for joining us on our third Webinar today.

At the end of our Webinar there will be a question and answer session to provide you, the states, the opportunity to gain more insight. During this Q&A session, it would be most helpful if you stated the speaker you would like to answer your question.

Our first speaker is going to be Kirk Growthe. Kirk is the Director of the Enterprise Architecture and Requirements Management Division. His team is in charge of providing support to the contract officers, supporting the implementation of the state Exchanges and is in charge of the development of the Federal Exchange.

Prior to coming back to CMS, he served as an agency CIO for a state-level human services agency and held several positions with the regional and international IT and consulting firms, including partner at Solutions Leader and Senior Director for Atlantic Coast.

Additionally, he served as a research fellow at the Shafer Center for Public Policy. Kirk is a former PMI with CMS. He holds the designation of PMP and has a Masters degree in IT as well as a Master's degree in public administration and health care.

Thank you, Kirk.

MR. GROWTHE: All right. Mark's going to be speaking with me on this. So if you want, give a little background on Mark as well and then we'll go ahead and get started.

MS. WISE: Certainly. Mark is a lead IT specialist with Enterprise Architecture and Requirements Division. His primary focus is Enterprise architecture, project management office and provides support with implementation of the state and federal Exchanges.

Prior to CMS, he served as a program manager for a Medicare plan finder and other CMS IT projects and held several positions with international IT and consulting firms.

Along with his MBA, he has in depth experience in certification and project management, agile methodologies and Lend Six Sigma Black Belt. Thanks.

MR. GROWTH: Thank you.

If we could go ahead and move forward past the introductions into the Exchange Program expectations IT gap analysis section, what we'd like to talk about on this particular slide is that the purpose in our program expectations for the gap analysis is really at the highest level to provide a mapping as the "as is" environment to the "to be" solution and also demonstrate that the proposed solutions meet the requirements to the Exchange IT system. That means from an architectural standard, a security standard, overall HIPAA types of stuff, accessibility, as well as just the general requirements overall with the Exchange framework.

MARK: Yes, as you're looking at the architecture, especially like the current and Legacy software/hardware, as you're inventorying, we would definitely recommend for you to assess whether or not it's meeting your current needs and whether or not it's scalable, and particularly whether or not your current solution is interoperable, and then take the same standards as you're looking at the target system and software and hardware, ask the same questions at the starting point, and that will identify what changes will be needed from your "as is" picture and looking forward towards a "to be" picture.

Now, Kirk definitely mentioned about the applicable standards, and you know, this is, again, where the security standards that involve PA time, PII, but also all the tax information and state standards that you will be required to adhere to.

Now, let me just mention one more thing really quick on the national information Exchange panel. That is NIEM. For those of you who are not familiar with this framework, this offers two things. It standardizes how information is exchanged, basically providing a common vocabulary for both the sender and the receiver so that the common language foundation is established, as well as you have a consistent approach of development and implementation when it comes to information Exchange framework.

There's a lot of good information on NIEM, and we'll be providing additional information on this particular framework in the very near future.

MR. GROWTHE: Excellent. As it relates to security documentation, models and things like that, our team is going to be providing some guidance documents that we have targeted to get through our clearance process by mid-March of this year, and we're hoping they'll be able to present that in time. So that could also be information that you factor into your overall gap analysis.

From here, we're going to go to the next slide. We would like potential grantees to treat their gap analysis as an overall capability assessment, and what we mean by that is there's technical, economic, and organizational feasibility issues that have to be considered when conducting the gap analysis. So technically how far is the gap that you have to shoot between going from your "as is" environment and your "to be" solution.

And we use the word "'to be' solution" for a variety of reasons, but most importantly, we're not making any assumptions that your solution is going to be an add-on. We're not making assumptions that your proposed solution is going to be new software, you know, or any other private model that may be out there.

Each grantee is going to have unique needs. You're going to have unique constraints, and you're going to have unique opportunities to position this Exchange environment in a way that best meets your state and the people that you serve.

From an overall readiness standpoint, especially the economic and the organizational feasibility aspects, we understand this is a new program that you're staging. It's not just IT stuff. So as you're going through your analysis, we want to make sure that folks clearly understand what it means organizationally to move this thing along as well.

We've seen some of our early adopters have to create new organizations to help implement and organize this institutionally. We've seen legislation that has had to be passed. There's been a variety of things around that, and we think overall that ties into the IT gap analysis because it shows the lineage, so to speak, between "as is" and "to be."

It's also important not to perform the gap analysis in a vacuum. We've had some experiences where we understand there's several different agencies that might be involved in the overall process, and anybody who's going to be involved in your "to be" model from an organizational standpoint should be involved in your gap analysis so that all of the key stakeholders are involved in the process.

You know, from an overall Exchange standpoint, we're concerned about the enterprise-wide assessments of your strengths and weaknesses and also any opportunity that you might have to try to build out existing systems that can then in the future be used for, you know, more stability of your existing system, so to speak.

From a budgeting standpoint, factor in all of the Exchange costs in your model, not just the things that are funded by your grant. That way you have a total cost of ownership viewpoint. You have to account for your out-year costs as well.

There's going to be a data hub involved, and on the data hub side of the house, at some level -- and we'll be providing more guidance around the data hub -- you should from your overall gap analysis and as you're considering your architectural review processes understand that between the grantee Exchanges and the data request, there's going to be a hub that's going to serve as a broker for the information request. We'll provide some more guidance on that, but you need to understand that as you're doing your analysis, there's going to be certain interfaces and things like that that are going to have to be created.

From a CMS perspective, we're part of CMS now. So you'll be hearing unified messages between us and our CMCS brothers and sisters on that side of the house. We're all going to work together on the same project, but understand that from a cost allocation standpoint there are some things that are appropriate to be cost allocated to the Medicaid side of the house versus the Exchange side of the house, and you want to factor in your Medicaid systems, all of the Medicaid systems.

Every state is configured uniquely. Sometimes it's in the human services organization. Sometimes some of the stuff is in Medicaid as well. Try to pick all of that up as part of the analysis, and then you want to use it to formulate next steps and your most logical processes.

Mark.

MARK: Yeah, definitely. As you're looking at your organizational capabilities, assess whether or not you'll be using agile methodology or traditional approach or a combination of both, and consider your contingency plans regardless of which approach you're using, as well as the transparency that will be needed with that as well as other stakeholders.

And then also review your collaboration, as well as your governance model. If your governance model is such that it may not be as conducive with the collaboration component, that's a weakness that we should overcome now. With regards to the budgeting that Kirk spoke of, things to consider would be are you using earned value management? IF not, what other methods will you be utilizing to track your overall budgeting aspects of it?

And regards to the data hub that Kirk mentioned, we will be providing additional information regarding the federal responsibilities versus the state, but the thing to consider would be, you know, what existing point-to-point connections do you currently have and what new point-to-point connections will you need in the future?

So that as a basis, and looking at the medium, including the hub as overall solution perspective. And as Kirk mentioned, we're looking from the unified governance model regards to one CMS, and this including the Medicaid governance model. So that on the federal side we want to make sure there is one particular governance model that governs both Medicaid as well as Exchange.

We encourage you to synchronize your development and your governance and your collaboration aspect in a similar manner.

MR. GROWTHE: One final piece on the budget. There's going to be down the road shortly a budget technical assistance call, and we're going to open to marry up any questions we get today and in the near future around budget as it relates to IT gap analysis around the particular budget discussions that are going to come up and the technical assistance call there.

We're also going to have staff from my shop on that call to answer any follow-up questions specifically to the budget. We're going to go to the next slide where we're looking at additional consideration for the gap analysis. We want folks to understand that the scope of the federal Exchange, and this is probably some of the most important stuff in the presentation.

Just like a lot of states, the federal government is constrained a little bit by the budget side, and as we talk about the overall budget for the Federal Exchange, we want to try to manage expectations because you all are going to be planning next steps, and some folks are thinking about being part of the federal Exchange model, which is an acceptable option for you, but we just wanted to give you some baseline information about what that would be.

So the Federal Exchange is going to contain all of the sufficient state-specific information to facilitate Federal Exchange requirements. However, from a user interface standpoint, we're not going to be building a unique Exchange environment or experience for each state. We're not going to be customizing for each state's business rules differences in open enrollment periods or different eligibility criteria, things like that, and we're not going to incorporate state-specific graphics and logs. The look, layout, feel, and navigation of the application is going to be the same for all the states.

As it relates to selecting your best IT model and your business perspective from it, you've got to pick the best Exchange model that works for your organization, right? That might include building out an Exchange, implementing some sort of a Legacy modernization aspect, joining a consortium, and for some states it means opting out of becoming part of federal Exchange is your best option.

For some of you, you're going to go through your gap analysis, and you're going to determine that on your own having a unique Exchange model is probably not your best bet. There are some consortia states now that you saw as part of New England. We expect to see at some level some more of those types of entities converge together.

It's perfectly acceptable from our standpoint when you make those decisions to be part of a consortia or part of a Federal Exchange. We want you to understand that there's not an absolution of state responsibility in facilitating the Exchange development. Just like consortia members are going to have to make some edits to their states to be able to accept Exchange interoperability, if you want to be part of federal Exchange, we're going to have those same expectations.

And as you go through the gap analysis and, you know, apply for your grant money, we want to have open lines of communication so that we understand the model that you're going to go to for your "to be" concept so we can best help you understand what our expectation is, especially as it relates to federal model, and for folks that are considering joining a consortia or setting up their own as part of the process, what type of unique attributes that the consortia lead entity would have to have, as well as the member entities.

Mark.

MARK: Yeah, and I'll just add when you're looking at the scope and the like in the best model, one key component that I would recommend is, you know, the transparency. Part of the reason why you're doing the gap analysis is really to help communicate what your state of readiness is and also to see what additional assistance you may be able to offer to somebody else or what offer of assistance you may be able to get from federal or other state stakeholders and partners.

So I would definitely recommend transparency as part of the overall gap analysis process.

MR. GROWTHE: All right. Thanks, Mark.

Next, we're going to be hitting the state perspective with Wisconsin, and they're going to be up next. So we'll go ahead and mute. Thank everybody for your time. Susan and Shambrekia, we'll turn it over to you.

MS. LUMSDEN: Thank you, Kirk.

And this is Susan. Shambrekia is going to introduce our next speaker, but I just want to let everybody know we've had several requests already for copies of the presentations. So we will definitely send them out on the listserv afterwards and so people will get them.

And we will also post them, but that takes a few days.

Shambrekia.

MS. WISE: Yeah, and if you're not on the listserv, just send me a blank e-mail, and I will respond to you with the presentation.

Our third speaker is going to be Jim Jones. He's the Deputy Administrator of the Division of Healthcare Access and Accountability and Director of Wisconsin's SNAP Program. He represents Midwest states on the American Association of Food Stamp Directors' board and served for five years on the Eligibility Technical Advisory Group for the Centers for Medicare and Medicaid Services.

Jim has held a number of positions in the Department of Health Services since he began in 1980, and he has worked on a number of different public assistance programs, including Badger Care Plus, Medicaid, SCHIP, Aid for Families with Dependent Children, Food Stamps and Low Income Energy Assistance Programs, and Jim is also a graduate of the University of Wisconsin, Madison.

Jim, I will give speaker rights to you now. Thank you.

MR. JONES: Okay. Hi. This is Jim Jones from Wisconsin, as I was just introduced.

We're going to talk a little bit about Wisconsin's analysis of where we wanted to be and, you know, exactly where we are now and how we are going to get there.

I have with me Craig Steel, who is our project manager for the Wisconsin Health Exchange as well, and I'm going to basically give an overview of what we're talking about; give you some background; and then let Craig walk you through the actual slides that go through the detail of how we did it.

I think one of my major points is as a state you want to, of course, start not with where you are but where you want to be. You really need to start in developing a vision, and I'll give you some ideas about how we did it in our state.

We started off, of course, by going through the Affordable Care Act in a lot of detail, writing a lot of different options papers, and really doing all of the analysis you need to figure out what does the Affordable Care Act mean to your state. What does it mean in terms of your Medicaid and your CHIP programs? What does it mean in terms of your service delivery model? And what does it really mean from a vision standpoint of where your administration, your governor, your legislature, your Office of Commissioner Insurance, your Medicaid director, whoever is involved; what's their vision for where they actually want to be? What kind of health care market do they want to have? How do they want this whole thing to sort of interact with both the Medicaid/CHIP side and also with private insurance market?

And understanding what that market is is a big part of that. So, you know, just getting an idea of exactly where you want to be from the health Exchange model and where you really want to get to. At the same time, we're talking about IT here. So there's some other things that you should be thinking about. One of the things I'd strongly suggest as you talk about "to be" is don't think about where you want to be today. Think about where you want to be when this thing goes live.

And I talk about where you want to be, I don't mean just in terms of the health Exchange, the health benefit Exchange, but really in terms of where you want to be as a system. You want to be thinking about where technology will be by the time that you're ready to start building, to start testing, and when you go live.

And you want to build a system that doesn't address your needs for now. You want to build a system that's really addressing your needs as of January 1st, 2014 or, you know, the months before in which you're beginning the process of implementation.

I would also make a point that as you look at those particular pieces of where you want to be, think about where the IT world is going to be, you should also be thinking about what are the kinds of best of breed solutions that are available, not just in your state, not just in Medicaid or CHIP or health insurance, but really across all the Websites and all of the technology that you can get your hands on.

So if you can go out there and look at how do bank Websites work, how do really great health insurance Websites work, how do the other states' Websites and Exchange type software really work, because there's a lot of pieces that you can really steal wholesale from other industry types to really get a vision of where you want to be.

So if you really like the way Esurance works or you love the way that your banking system works or you love Kayak, whatever those Websites are look at them. Play with them. Use them as much as you possibly can and get a sense for where you want that technology to be. And, you know, that's really a big part of this, using your IT resources in your state or with contractors to really ask them what's out there and what exists.

The third part of the "to be" to me is also a sense of what kind of system you're going to have in terms of what's going to be included and what's not going to be included. Are you building an Exchange as you look at your vision that's going to do your Medicaid and your CHIP eligibility determinations as part of the Exchange or is it going to call out to your Legacy system? Which one would you prefer to do? What do you think?

You know, it's going to partly depend upon the structure, the governance that you've actually set up in your state or are planning to set up. And lastly, think about the systems that you have now and what problems you run into today. Is it a problem where it's really hard to get stuff done? Maintenance is really hard or enhancements are really hard. So making changes to my system is easy as long as I stay within the bounds of my system, but the minute I want to add something onto it, then you know, all hell breaks loose and basically I can't get it done or it takes much longer than I think it should.

The third one is do you run into issues of contention. Are you in an integrated system with other programs and those programs are operated by other agencies or other departments and you run into a contention of resources?

And I don't just mean the situation of, oh, gosh, I want to use, you know, Programmer A and they want to use Programmer A or Systems Analyst A. But really also the situation of how much work can you do at one particular time in your system. What actually, you know, are you capable of doing?

And just to reiterate this idea, you want to build a system that's going to address your needs when you go live in 2013 and 2014. You don't want to be like the Pentagon that is always designing the military world for the last war that they fought. You want to be focused on the world in the future.

So once you get a really great idea of where you want to be, you should think as far out as you can in terms of the best thing I could possibly have is X, and then come back and start off with a real inventory of what you have. You know my case in the State of Wisconsin, I have a very new MMIS system that we

put up in 2008, and I know what that MMIS system can do in some detail and what its capabilities are, and we found what it's very good at and we found what it's not so good at.

The second thing I looked at was our automated eligibility systems to see what kind of inventory we have and what our capabilities are, what we're good at, what we're not so good at. We have a very new front-end online application, public facing Website that allows people to manage their cases and renew and all that other stuff called access.

I have an electronic case file that's, you know, very, very integrated into that access system now, very user friendly, totally integrated into our eligibility world. I have a good master customer index in our state. So that really helps me when it comes to matching across different programs and different systems within my state. But I also have an eligibility system that was built in 1994 that when we kept it up to date and it has a nice user interface and it's not a bear to maintain or enhance, but, it could be a lot better. And the care system we have which, you know, became whatever, Rapids in West Virginia and New Heights in New Hampshire, but there are some things I really could change about it.

I also know that I'm an integrated, automated eligibility system, but I'm now spread across two departments. When it was developed I'm in one. So as we looked at that, that's sort of our inventory of not only what my assets are, but sort of what's the organizational structure around that particular asset. I also know that I have two pretty good contractors in Wisconsin in Deloitte Consulting and Hewlett Packard that I have a pretty good relationship with and that they have a lot of resources, and I'm going to use those as much as I possibly can.

So then basically I know what I have and where I am. I know what I like and what I don't like about what I have. I know what my organizational structure is today, and I now also as we talked about at the beginning have a vision for where we want to go. And that's where that gap analysis can finally take place, where you can actually start to make decisions, and this is where the rubber hits the road, and I hate to say it, but you've got to sometimes let go of some things that you really want, which they make me do almost on a daily basis now. You know, something that you really, really wanted sometimes you've really got to let go because of the cost because you have something that will suffice for a certain time.

And so that's the point that you make. You basically compare where you want to be, what you have, and how you can best make that transition, and I'm actually in the process right now still of going through at a very detailed level of what we have and where we want to be in determining which actual pieces of code we need to basically duplicate, which are conceptual duplications, and which things we're just basically throwing in the garbage disposal, turn on the water and hitting the switch.

So as we move forward, we have a very good road map for this is the difference between where we want to be; this is where we are; this is what we like, what we don't like; and then we basically have been creating a road map for how to get from Point A to Point B. Now, that's a big picture overview of what we did and where we are at this particular point. I'm going to turn it over to Craig Steel, our project manager for the entire Wisconsin Health Insurance Exchange Project, and let him go through the actual slides here to give you an idea of really how this whole thing took place at a very detailed level, far more detailed level.

MR. STEEL: All right. Thanks, Jim.

So as I get started here, just a quick overview. What I'm going to do is just give you an overview of the gap analysis that we completed from an IT perspective, some lessons that we applied, and then talk about next steps in terms of what we're doing here in Wisconsin. So as you can probably tell from Jim's overview, the one thing that we've been very fortunate of in Wisconsin is that we have visionaries in terms of telling us where we want to go. And I don't want to understate how important that is from an IT standpoint in terms of doing your gap analysis.

So the other thing that I want to mention as we're doing this gap analysis, you'll notice on the slides that there are four key deliverables for each step in the process, and while this is presented in kind of a linear fashion, it is not. It is a very iterative process that we've been going through and that we continue to go through, and it isn't done from beginning to end, left to right as being displayed here, and I'll kind of talk to that.

The other thing is that as you're developing, you know, whatever gap analysis deliverables that you come up with, you know, the other thing, real important is to manage those deliverables because as Mark and Kirk alluded to, there are going to be changes. We are going to be receiving more guidance. We are going to be receiving stakeholder input, and then as Jim alluded to, there are other projects that are happening within the states that are going to affect these same systems that we're going to be putting up in 2014.

So one of the things is, you know, start at the high level, start to decompose as you go through the steps, but you need to keep those documents, those deliverables in front of you all the time as things are changing. They need to be managed along with the rest of the project.

So going left to right, just in terms of where did we start, so we started with the guidance that was available. So last November, you know, HHS, OSIO and CMS posted the guidance, the initial guidance, Version 1. So obviously, very important from an IT standpoint, the technical architecture and the applicable standards. So, again, that's a baseline. We expect that there's going to be a Version 2, Version 3, and so forth.

But, again, what we did is we compared that to the standards that we already have in place. Again, some of this stuff is a no-brainer as we go through it, but evaluating the state's desired policy and governance objectives is very tough. So this is where I'll jump to the "to be," and so where we started at in Wisconsin, as Jim stated, we went through the language and pulled out all of the provisions related to the Exchange, okay, whether they were Exchange specific or were somehow like modified adjusted gross income would impact the Exchange, and we started the development of a white paper, very comprehensive in terms of how did we envision the Exchange to work in Wisconsin.

Okay, and so while that is not necessarily the IT portion of it, it will inform from an IT standpoint some of the changes that we need to make. So if that hasn't happened in your state, again, you can look at Wisconsin's document as a starting point, but, again, it's very comprehensive in terms of the approach that we are going to take.

The other thing is to gather objectives from key stakeholders. So, again, from a "to be" state, the other big leap that we took last October was the development of a prototype. So in order to kind of inform what functions would need to live in the Exchange, we put something on the table, and it's a process that we continually use in Wisconsin.

We just have this belief that you put a concept out there rather than pulling a bunch of people in a room with a blank slate and starting from scratch. So we used that prototype, and we went around to all different kinds of stakeholders within the state. So providers, small employers, businesses, brokers, you know, the health plans, you name it, and we hit the associations, consumer advocates and things like that to get input.

And so the prototype started as a PowerPoint deck, but evolved into an actual Website that is now posted. And, again, from a before, you know, getting started in doing the gap, having those concepts and getting input is so valuable, and I think it will prevent a lot of rework when it comes time to actually start the requirements analysis, management process, the design process, and then the development process.

So, again, from a starting point, that's where we started, and again, we call that deliverable the supporting research materials and white papers. And the next slide I'll go over so you can actually kind of see. We have more kind of the visual aid of what we're talking about. So document as is in the "to be," again, this was very iterative. We were working on both at the same time. So, again, as Mark and Kirk and Jim have already talked about, developing an inventory of the current system assets and technical architecture or infrastructure [is critical].

So you know, hopefully, you know, if you're working with a contractor or you do it in house, you already have a list of these. So they're not being created from scratch like we have in Wisconsin, but again, very important to put that together. The other thing I don't want to forget though is while I'm going over this, and this is higher level than I would like, a lot of the detail in our gap analysis is also in our early innovators grant, and it's available on our health care reform Website. So people that want to look in more detail in terms of what we did for the gap and then the end result, which is the readiness assessment, can find that in that document.

So then the next step, again, is to assess technical capabilities and flexibilities of current system assets. So, again, the way that we did it here in Wisconsin is we broke this up into three kind of technical areas that we deemed: application services, business services, and data services. Okay. So from an application services standpoint, these are those front end, you know, kind of consumer facing or operational facing tools that you may already have that may need to evolve. Okay. So that was one of the readiness areas.

The business services, so again, all of those functions that need to happen behind the background; know whether it's rules engines or security, payment, reporting, and so forth, and then finally data services.

So as Jim alluded to, so looking at the data the way that you have it now and figuring out if that is going to work for you going in the future. So whether that's a member index, an employer index, the health plan index, provider index and so forth. So then next is to evaluate flexibility of current operating business model. So this really gets at the state's operations, and again, whether you do everything in house or you contract with a vendor to do this, so looking at how you do work flow and workload management, looking at how you do case management, you know, and looking specifically at the Exchange functions for the individual Exchange and the shop Exchange, and figuring out, you know, is it going to work.

And so point in case here in Wisconsin is one of our biggest concerns is the operating model for the shop or the small business Exchange, and we know right now that that is one of our biggest gaps from

an operating perspective. So we don't service small business right now from that perspective. So we know that we have a lot of work to do there. So, again, from a deliverable standpoint, you have the functional and technical assets inventory. Then, again, the developed, the "to be" functions and process, gathering input from key stakeholders, again, we did that through the prototype. We'll continue to do that now through our design process and our conceptual documents, again, reaching out to the specific stakeholders based on the business function that we're tackling.

So whether it's screening and eligibility for the enrollment, if it's the shop or if its health plan certification, you know, customer relations, management, we'll hit those stakeholders as we go trying to get them as early on in the process as possible.

So then identify the "to be" business functions and logically group. Again, you can see this in our early innovators grant, but we group these across eight business functions. You know, states will take a number of different ways to approach this, but we put it into nice and neat eight buckets that we could manage from, and then we have basically an umbrella of services that we're using to oversee that.

Again, develop the "to be" operating business model. This is probably the thing that will be in flux the most from a gap standpoint in determining where operationally the Exchange is going to be, and again, I am assuming most states like Wisconsin are wrestling with, you know, how much input does the state have in this versus once the Exchange organization is actually created and how much input you want to leave to that body to come up with this operating business model.

Identify the integration points with other social service programs and external systems. So, again, I'm not going to reiterate. The data hub, obviously we're very anxious to see what that's going to look like. That is one of the first things that we have on our actual project plan to address is to move from our current data Exchanges, whether they're batch or real time, into these new data Exchanges for both Medicaid and the Exchange.

And then identify and record uncertainties. Right now we have a list of just over 200 assumptions. Again, without having guidance, without having gone through the requirements process at this point, we basically have a huge parking lot that is identified by each one of the business functions that we're recording. So, again, I just go back to the gap analysis needs to kind of live through the process until a lot of these unknowns or uncertainties are defined. And, again, from a deliverable standpoint, what we have is our health insurance Exchange functional and technical components list and business functions.

So then we get into, you know, trying to align that "as is" to the "to be" and identifying the gaps. So obviously in any gap analysis you have a mapping exercise that you're doing between the "as is" and the "to be," aligning the current and future operating business models to identify the process needs. Again, I think this one will be one of the most challenging that we face in trying to go, you know, far enough to where we can really inform IT in terms of, you know, what functions do we think that the Exchange operational area is going to need and not going so far that, you know, we take them down a road that may change and you have a lot of rework.

So, again, evaluate your "as is" assets in the context of the "to be" functions so that the two compare. Identify the gaps in the required IT standards, again looking at the initial guidance, knowing that that's going to evolve over time against what you currently have, and then identifying the gaps in the organization structure for staffing needs.

So, you know, what we're doing in here in Wisconsin is or what we've at least proposed is that DHS will provide the technical infrastructure and systems and applications to the Exchange minimally for the first five years. So, you know, again, that's more on the IT side organizationally, but on the operational side, again, we're kind of being a bit more cautious as we go through that to make sure that we don't overstep our bounds.

And then, again, the final deliverable there is the gap analysis summary and readiness assessment.

Okay. So with that, again, just so you can kind of see visually what this means on the next slide, what I talked about in the beginning is we developed a series of white papers and options papers for just about every business function, and then just this overall white paper, this comprehensive document that I'm referring to in terms of how the Exchange would work. Okay.

Then we have our assets inventory, and I know it's really hard to read here, and again, you can refer to our early innovators grant for all the detail that's behind this, but again, looking at all of the technical assets that you have, recording them, stating what the "as is" state is right there and then documenting that current operating model for those assets. So then we get into the business functions for the Exchange, and again, these are in the early innovators grant. We break these down in great detail, and again, this is what, you know, if there is one thing, this is what's informing our project work going forward. Everything about our IT project is developed around this kind of business IT model for the Exchange.

And then the technical architecture, again, this is just how we're looking at things at a very high level. From the application services, the business services, and the data services, so this will give you a good idea of kind of how we see or how we're viewing the Exchange world through a technical perspective. And then the technical software in that "to be" world. So, again, now you've got your "as is" technical asset inventory, your "to be" technical kind of software, where you want to be, and you move into, you know, kind of the final step of doing your gap analysis summary, and again, you can see we do more of a dashboard and a summary of that dashboard is in our early innovators grant, and then the detailed readiness assessment for each one.

So as you can imagine from a readiness standpoint, I mean, it's not that we're all over the board, but we're less ready in some areas. Some of the technical architecture obviously we need to bring up to date. We're more ready in other areas as far as like doing stakeholder engagement. We really have what I think is a good relationship with all of our stakeholders in terms of gaining input. So we're less concerned in closing any gaps in those areas to kind of inform the technical design going forward. But, again, there are -- we are at various steps depending on which area that we're talking about.

So next, I just want to cover some of the lessons that we've applied. Again, the gap analysis, like anything else, you start at a high level and you start moving down. So we're starting to break down the functions into the subcomponents. We have a document that we can make available to the states that show our business tracks into the business work groups and then the underlying supporting technology for those and some of our other umbrella groups.

We are performing a detailed two-way mapping of the "to be" against the "as is" for the eligibility enrollment functions to make sure that we're complete. The other important thing, and I think most people really understand this, is that sometimes we get into the gap and we're really concentrating on the functional requirements of the Exchange, and we stop, you know, or we don't think about the non-

functional requirements in there. And the guidance helps us there, you know, from HHS, is getting that guidance and understanding the nonfunctional, but I would say it's those things you don't want to lose track of from a gap analysis standpoint. Consider the overlap with scheduled Medicaid enhancements and identifying corresponding funding sources. So, again, Mark and Kirk talked about the budget. So the way we did it in Wisconsin is, you know, we tried to figure out, you know, which functions within the Exchange were truly Exchange functions and had nothing to do with Medicaid, which one were overlapping, and then just follow the guidance to allocate those costs out.

But the other thing is with your gap you need to make a list of those other priority projects that are going on within the state, and again, depending on which organization that it's being run from to make sure that you're not blindsided, you know, six months down the road by some project that's going to either change your "as is" state or neglect to include requirements in your "to be" state.

So then going through the priority list of required versus desired for each component, this is, you know, basically where we're still at in terms of saying, okay, what are the minimum things that the Exchange needs to do and then looking at our options papers and our white papers and saying what were some of the things that we took in from stakeholders that we want to layer on top of that.

We're also heavily recommending a phased in approach to achieve incremental benefits. So, again, in our early innovators grant what we have proposed is for some of the major changes, such as modified adjusted gross income, and then even taking the Exchange and piloting it just for the Medicaid population. Again, that's what we've recommended, and you know, what we're trying to target for is to actually bring up the Exchange functions that would be specific to our Medicaid population no later than January of 2013. Okay.

And, again, I think every state needs to try to avoid that big bang late in 2013 even though we all know, you know, resources are tight. The timeline is tight, and it's going to be a struggle. Consider technical infrastructure upgrades and capacity planning. So again, this is one of the first things that we're doing in terms of the data Exchanges. We have a major milestone on our project plan to upgrade several of the data Exchanges by November of this year just to kind of get that out of the way. Again, you know, we're still waiting to see what that data hub looks like, but to the extent that we can do it for the Medicaid and the Managed Care Plus Programs, we'll do that.

Identify required procurements early. So as we're going through this gap analysis and looking at our "as is" and what we currently have in terms of assets, and then looking at the "to be" and trying to figure out, especially from a budget standpoint, you know, what is it that we're going to need to purchase, you know, whether that's hardware, software, you know, integration services, et cetera. Okay. And then as far as next steps, in terms of what we're doing here in Wisconsin, so with the early innovators grant we proceeded in putting together a comprehensive project management team that includes state staff and representatives from both of our vendors, HP and Deloitte.

Again, we're going through the decomposition of our scope at this point based on the business functions that we have defined. We've set up work groups and sub work groups for each one of the functions, and basically now those teams are taking what we've done from a scope standpoint and breaking those down into actual business requirements, policy decisions, and design concept documents.

So again, we've identified the work groups to elaborate on those requirements and now the process that we need to do is get the external stakeholders involved. We kind of lay out our plan in our early

innovators grant. So you can read that there and what we're doing there. Finalized priority and desired implementation dates for each business function within the high level components. So we've come up with an operational time line for all the functions of the Exchange and, you know, essentially what we're doing right now is a backwards glance from those operational dates to try to come up with the dates that we actually need to hit from an IT perspective.

Elaborate on a high level application, architectural design. So, again, we have that high level that I talked about where we break down the business, the application and the data services. We just put down and first project release schedule based on what we committed to in the early innovators grant. We have a seven phase release schedule that takes us through now through the end of 2013.

We're working on our detailed work plan that corresponds with that right now, as well as our detailed resource plan, and so again, I think, you know, resources, while we know that there are going to be federal grant dollars there, just the ramp-up time alone we know is going to be huge. So we're trying to accelerate that as much as possible.

And then, again, I talked about further refining our operating business model and taking that to a point that we know what we need from an IT perspective, but not too far to where we're overshooting it. And then continuously gather feedback from multiple stakeholders and incorporate input. We continue to get feedback on our prototype, but we know that we have a lot more to do in terms of engaging stakeholders to inform the design for the system. And then just the contact information if you have any specific questions. So with that, I'll turn it back over to Shambrekia.

MS. WISE: Well, thank you very much. And we will now start the question and answer period. Please limit your questions to IT gap analysis only, and again, please identify which speaker you are directing your question towards so that the best possible answer to you will be provided. Please state your name, your state, and the organization where you are located. Operator, can we please have the first question?

OPERATOR: Sure. At this time, I would just like to remind everyone to press star, then the number one on your telephone key pad. We will pause for just a moment for the Q&A roster. The first question comes from Shirley Ranger.

MS. BEAUDOIN: Hi. This is Katie Beaudoin (ph) in Louisiana. I'm in here with Shirley. My question is for Jim and Craig, and I don't know if this is the right context. Maybe we could talk about it later, but I wanted to know more about your -- you said you have a master customer index. Can you give me just a quick overview of what that is?

MR. JONES: Basically what we discovered as we worked on automated systems over the years was that we had a hard time matching between different systems because we were never sure that the person that we were dealing with whose name might be -- I don't know -- Jim Jones was the right Jim Jones.

And we found out over time also that Social Security numbers, even when they were validated sometimes, were not a complete and total way of making sure that the person that they were really was. It was also we had a number of instances in which we wanted to share information between systems when things changed for that particular person.

So a number of years ago we created what's called the master -- I think it's master client index or customer index today. It's just the MCI to me, and basically it sits between a bunch of different systems including the system that runs our TANF Program, the one that determines eligibility, the one that does long-term care, kind of a number of systems that do public assistance, human services. We created a system that validates and keeps a listing with a unique identifier that's indexed to each one of those systems of all the unique individuals that we've had an encounter with.

And so we're able to easily move data between those systems and share data in a very easy way so that we're always sure that when I have the Craig Steel who's sitting next to me right now that he's the same Craig Steel who's, you know, listed on another system and I can move his information quickly between those systems and not have a lot of time that I need to do validation that he is who he says he is and have to do a lot of extra cross-matching and secondary checks and indexes. I know this is the Craig Steel I'm dealing with.

MS. BEAUDOIN: Great. Thanks, Jim.

MR. JONES: Sure.

OPERATOR: We have no further questions in queue at this time.

MS. WISE: We actually received a question from one of the participants. Craig, this is for you.

Would you be able to share a Word document rather than a PDF version of your white paper to the call participants or could you all not do this?

MR. STEEL: No, absolutely.

MS. WISE: Okay. Well, I guess to make it easy, would you mind sending that to me and then I can just pretty much send it out with the rest of the documents that I'll be sending out today?

MR. STEEL: I will do that.

MS. WISE: Thank you very much.

MR. STEEL: The other thing is just if you are interested in any of the documentation in Wisconsin, maybe we can also share with everybody at the same time the address of our health care reform Website that has all of our information on it. We can send that to you, and you can at that particular point send it out to everybody else.

That has a lot of the information that we were talking about here, and we're adding information to it at all times. So I think that people might find that helpful, too.

MS. WISE: Thank you.

I just had another question pop up. How will the gap between innovator grant funding and what was requested be closed?

Again, this is for you both, Jim and Craig.

MR. JONES: Well, what we requested included both the innovator grant funding, but there was a portion of it that was other programs because the Exchange is going to be more than just the premium subsidy and reduce cost sharing. It includes some Medicaid funding and so we included that in our budget projections, and we are now waiting for finalization of the regulation on 9010 funding so we can submit our advanced planning document update, and that will fill the gap for us, at least the way that our budget is projected at this particular point.

We know that we think we've cost allocated correctly. We know we've done it according to our plan. So, you know, the gap for us is the gap. We know where all the money is coming from.

MR. STEEL: Yeah, just add on that we also had in our grant application, and this may get to some of the question, we proposed beyond the eligibility and enrollment functions required of the agreement. We included the outreach and marketing. We included fiscal management, which includes payment and premium aggregation. We included quality, which is kind of defrauding the abuse functionality, you know, whether you're looking at it from a consumer perspective of potentially a navigator or whatever, you know, provisions that would have to be made.

Then we also, you know, incorporated reporting. So the required federal reporting that would have to be developed whether it's the Exchange or the Exchange actually taking it in or, you know, any other management reporting that we think it would be important whether it's for the Exchange organization itself or it has to go back to the legislature, the governor or what have you.

So I think there's still a possibility based on what final guidance comes out that there might be something that we didn't propose that we should have, that we may have to come back and revisit, but you know, I think everybody will basically be in that state until all the guidance comes out.

MR. STEEL: I can tell you right now we will have to revisit it because I know for an absolute fact that we have forgotten things. I don't know what those things are, but I'm sure we've forgotten something.

MS. WISE: Okay. Well, we have no more questions on this end. If the participants don't have anything else, that will complete our third Webinar. We thank you so very much.

If you do have any other questions either e-mail me, Shambrekia, S-H-A-M, as in "Mary," B, as in "Boy, R-E-K-I-A, dot, Wise at HHS, dot gov, or your POs, and we will definitely address your questions.

Thank you, again, for joining us, and have a wonderful day.

OPERATOR: This concludes today's teleconference. You may now disconnect your line.

(Whereupon, the Webinar was concluded.)

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I am neither counsel for, nor party to this action nor am I interested in the outcome of this action.

MARY JO MITCHELL