

## APPENDICES

### A. Exchange Activities for a State-based Exchange

Below is a list of the Exchange activities for a State-based Exchange. Unless otherwise indicated, all activities are required. ***Level Two Establishment* applicants should include in their proposal plans to establish an Exchange that can perform all required activities.**

#### Exchange Activities

##### **Legal Authority and Governance**

The State has enabling authority to operate an Affordable Insurance Exchange, including a Small Business Health Options Program (SHOP), compliant with Affordable Care Act Section 1321(b) and implementing regulations.	
The Exchange establishes an Exchange Board and governance structure in compliance with Affordable Care Act 1311(d) and 45 CFR 155.110.	

##### **Consumer and Stakeholder Engagement and Support**

The Exchange develops and implements a stakeholder consultation plan and has and will continue to consult with consumers, small businesses, State Medicaid and CHIP agencies, agents/brokers, employer organizations, and other relevant stakeholders as required under 45 CFR 155.130.	
<i>Applicable only to States with Federally-recognized Tribes:</i> The Exchange, in consultation with the Federally-recognized Tribes, develops and implements a Tribal consultation policy or process, and submits it to HHS.	If applicable
The Exchange provides culturally and linguistically appropriate outreach and educational materials to the public, including auxiliary aids and services for people with disabilities, regarding eligibility and enrollment options, program information, benefits, and services available through the Exchange, the Insurance Affordability Program(s), and the SHOP.  In addition, the Exchange has an outreach plan for populations including: individuals, entities with experience in facilitating enrollment such as agents/brokers, small businesses and their employees, employer groups, health care providers, community-based organizations, Federally-recognized Tribal communities, advocates for hard-to-reach populations, and other relevant populations as outlined in 45 CFR 155.130.	
The Exchange provides for the operation of a toll-free telephone hotline (call center) to respond to requests for assistance from the public, including individuals, employers, and employees, at no cost to the caller as specified by 45 CFR 155.205(a).	
The Exchange establishes and maintains an up-to-date Internet Web site that provides timely and accessible information on Qualified Health Plans (QHPs) available through the Exchange, Insurance Affordability Program(s), and the SHOP, and includes requirements specified in 45 CFR 155.205(b).	
The Exchange establishes and operates a Navigator program that is consistent with the applicable requirements of 45 CFR 155.210, including the development of training and	

conflict of interest standards, and adheres to privacy and security standards specified in 45 CFR 155.210 and 45 CFR 155.260.	
<i>If applicable:</i> If the State permits activities by agents and brokers pursuant to 45 CFR 155.220(a), the Exchange clearly defines the role of agents and brokers including evidence of licensure, training, and compliance with 45 CFR 155.220(c)-(e). The Exchange will have agreements with agents/brokers consistent with 45 CFR 155.220(d), which address agent/broker registration with the Exchange, training on QHP options and Insurance Affordability Program(s), and adherence to privacy and security standards, as specified in 45 CFR 155.260.	If applicable
<i>If applicable:</i> If the State permits activities by agents and brokers pursuant to 45 CFR 155.220(a), the Exchange clearly defines the role of web brokers including evidence of licensure, training, and compliance with 45 CFR 155.220(c)-(e). Specifically, the Exchange has agreements with web brokers consistent with 45 CFR 155.220(d), which address agent/broker registration with the Exchange, training on QHP options and Insurance Affordability Program(s), and adherence to privacy and security standards, as specified in 45 CFR 155.260.	If applicable

### **Eligibility and Enrollment**

The Exchange develops and will use an HHS-approved single, streamlined application for the individual market – or will use the HHS-developed application – to determine eligibility and collect information that is necessary for enrollment in a QHP for the individual market and for insurance affordability programs as specified in 45 CFR 155.405. The Exchange develops and will use an HHS-approved application for SHOP or will use the HHS-developed application for SHOP employers and employees as specified in 45 CFR 155.730.	
The Exchange develops and documents a coordination strategy with other agencies administering Insurance Affordability Programs and the SHOP that enables the Exchange to carry out the eligibility and enrollment activities.	
The Exchange has the capacity to accept and process applications, updates, and responses to redeterminations from applicants and enrollees, including applicants and enrollees who have disabilities or limited English proficiency, through all required channels, including in-person, online, mail, and phone.	
The Exchange has the capacity to send notices, including notices in alternate formats and multiple languages; conduct periodic data matching; and conduct annual redeterminations and process responses in-person, online, via mail, and over the phone pursuant to 45 CFR 155, subpart D.	
The Exchange has the capacity to conduct verifications pursuant to 45 CFR 155, subpart D, and is able to connect to data sources, such as the Federal Data Services Hub, and other sources as needed.	
The Exchange has the appropriate privacy protections and capacity to accept, store, associate, and process documents received from individual applicants and enrollees electronically, and the ability to accept, image, upload, associate, and process paper documentation received from applicants and enrollees via mail and/or fax.	

The Exchange has the capacity to determine individual eligibility for enrollment in a QHP through the Exchange and for employee and employer participation in the SHOP. In addition, the Exchange has the capacity to assess or determine eligibility for Medicaid and CHIP based on MAGI.	
The Exchange has the capacity to determine eligibility for Advance Payments of the Premium Tax Credit (APTC) and Cost Sharing Reductions (CSR), including calculating maximum APTC, independently or through the use of a Federally-managed service.	Can use Federal services
The Exchange has the capacity to independently send notices, as necessary, to applicants and employers pursuant to 45 CFR 155 subpart D that are in plain language, address the appropriate audience, and meet content requirements.	
The Exchange has the capacity to accept applications and updates, conduct verifications, and determine eligibility for individual responsibility requirement and payment exemptions independently or through the use of Federally-managed services.	Can use Federal services
The Exchange has the capacity to support the eligibility appeals process and to implement appeals decisions, as appropriate, for individuals, employers, and employees.	
The Exchange and SHOP have the capacity to process QHP selections and terminations in accordance with 45 CFR 155.400 and 155.430, compute actual APTC, and report and reconcile QHP selections, terminations, and APTC/advance CSR information in coordination with issuers and CMS. This includes exchanging relevant information with issuers and CMS using electronic enrollment transaction standards.	
The Exchange has the capacity to electronically report results of eligibility and exemption assessments and determinations, and provide associated information to HHS, IRS, and other agencies administering Insurance Affordability Programs, as applicable. This includes information necessary to support administration of the APTC and CSR as well as to support the employer responsibility provisions of the Affordable Care Act.	
The Exchange has a transition plan for high risk pools including State-based PCIP programs and other similar programs.	

### **Plan Management**

The Exchange has the appropriate authority to perform the certification of QHPs and to oversee QHP issuers consistent with 45 CFR 155.1010(a).	
The Exchange has a process in place to certify QHPs pursuant to 45 CFR 155.1000(c) and according to QHP certification requirements contained in 45 CFR 156.	
The Exchange uses a plan management system(s) or processes that support the collection of QHP issuer and plan data; facilitates the QHP certification process; manages QHP issuers and plans; and integrates with other Exchange business areas, including the Exchange Internet Web site, call center, quality, eligibility and enrollment, and premium processing.	
The Exchange has the capacity to ensure QHPs' ongoing compliance with QHP certification requirements pursuant to 45 CFR 155.1010(a)(2), including a process for monitoring QHP performance and collecting, analyzing, and resolving enrollee complaints.	

The Exchange has the capacity to support issuers and provides technical assistance to ensure ongoing compliance with QHP issuer operational standards.	
The Exchange has a process for QHP issuer recertification, decertification, and appeal of decertification determinations pursuant to 45 CFR 155.1075 and 155.1080.	
The Exchange has a timeline for QHP issuer accreditation in accordance with 45 CFR 155.1045. The Exchange also has systems and procedures in place to ensure QHP issuers meet accreditation requirements (per 45 CFR 156.275) as part of QHP certification in accordance with applicable rulemaking and guidance.	
The Exchange has systems and procedures in place to ensure that QHP issuers meet the minimum certification requirements pertaining to quality reporting and provide relevant information to the Exchange and HHS pursuant to Affordable Care Act 1311(c)(1), 1322(e)(3), and as specified in rulemaking.	

### **Risk Adjustment and Reinsurance**

The State has the legal authority to operate the risk adjustment program per 45 CFR 153 and Affordable Care Act 1343, if the State chooses to administer its own risk adjustment program.	Can use Federal services
The State operates its own reinsurance program per Affordable Care Act 1341 requirements.	Can use Federal services

### **Small Business Health Options Program (SHOP)**

The SHOP is compliant with regulatory requirements pursuant to 45 CFR 155 Subpart H.	
The Exchange has the capacity for SHOP premium aggregation pursuant to 45 CFR 155.705.	
The SHOP Exchange has the capacity to electronically report information to the IRS for tax administration purposes.	

### **Organization and Human Resources**

The Exchange has an appropriate organizational structure and staffing resources to perform Exchange activities.	
---	--

### **Finance and Accounting**

The Exchange has a long-term operational cost, budget, and management plan.	
---	--

### **Technology**

The Exchange technology and system functionality complies with relevant HHS information technology (IT) guidance.	
The Exchange has the adequate technology infrastructure and bandwidth required to support all of the Exchange activities.	
The Exchange effectively implements IV&V, quality management, and test procedures for Exchange development activities and demonstrates it has achieved HHS-defined essential functionality for each required activity.	

### **Privacy and Security**

The Exchange establishes and implements written policies and procedures regarding the Privacy and Security standards set forth in 45 CFR 155.260(a)-(g).	
The Exchange establishes and implements safeguards that (1) ensure the critical outcomes in 45 CFR 155.260(a)(4), including authentication and identity proofing functionality, and (2) incorporates HHS IT requirements as applicable.	
The Exchange has adequate safeguards in place to protect the confidentiality of all Federal information received through the Data Services Hub, including but not limited to Federal tax information.	

### **Oversight, Monitoring, and Reporting**

The Exchange has a process in place to perform required activities related to routine oversight and monitoring of Exchange activities (and will supplement those policies and procedures to implement regulations promulgated under the Affordable Care Act 1313).	
The Exchange has the capacity to track and report performance and outcome metrics related to Exchange Activities in a format and manner specified by HHS necessary for, but not limited to, annual reports required by Affordable Care Act 1313(a).	
The Exchange has instituted procedures and policies that promote compliance with the financial integrity provisions of Affordable Care Act 1313 (and will supplement those policies and procedures to implement regulations promulgated under the Affordable Care Act 1313), including the requirements related to accounting, reporting, auditing, cooperation with investigations, and application of the False Claims Act.	

### **Contracting, Outsourcing, and Agreements**

The Exchange has appropriate contractual, outsourcing, and partnership agreements with vendors and/or State and Federal agencies for all Exchange activities and functionality as needed, including data and privacy agreements.	
--	--

### **State Partnership Exchange Activities**

The State has appropriate agreements in place to operate the Plan Management activities for a State Partnership Exchange.	Optional
The State has the capacity to interface with the Federally-facilitated Exchange, as necessary, to ensure a seamless consumer experience.	Optional
The State has appropriate agreements in place to coordinate with the Federally-facilitated Exchange and has a plan for providing the Consumer Assistance activity(ies), including in-person assistance, for its State Partnership Exchange consistent with 45 CFR 155.205(d) and (e).	Optional

**B. Activities eligible for funding in a Federally-facilitated Exchange, including State Partnership Exchange**

This funding announcement makes available funds for State action in support of the establishment of Federally-facilitated Exchanges, including a State Partnership Exchange, whereby the State has the option to administer and support operation of select Exchange activities. A State may participate in a Plan Management State Partnership, Consumer Assistance State Partnership, or both. In particular, funding is available to support states in developing the following activities. Unless otherwise indicated, all activities are required for the State Partnership Exchange models as detailed below.

**Plan Management State Partnership Exchange Activities**

**State Partnership Exchange Activities**

The State has appropriate agreements in place to operate the Plan Management activities for a State Partnership Exchange.	
The State has the capacity to interface with the Federally-facilitated Exchange, as necessary, to ensure a seamless consumer experience.	

**Plan Management**

The Exchange has the appropriate authority to perform the certification of QHPs and to oversee QHP issuers consistent with 45 CFR 155.1010(a).	
The Exchange has a process in place to certify QHPs pursuant to 45 CFR 155.1000(c) and according to QHP certification requirements contained in 45 CFR 156.	
The Exchange uses a plan management system(s) or processes that support the collection of QHP issuer and plan data; facilitates the QHP certification process; manages QHP issuers and plans; and integrates with other Exchange business areas, including the Exchange Internet Web site, call center, quality, eligibility and enrollment, and premium processing.	
The Exchange has the capacity to ensure QHPs' ongoing compliance with QHP certification requirements pursuant to 45 CFR 155.1010(a)(2), including a process for monitoring QHP performance and collecting, analyzing, and resolving enrollee complaints.	
The Exchange has the capacity to support issuers and provides technical assistance to ensure ongoing compliance with QHP issuer operational standards.	
The Exchange has a process for QHP issuer recertification, decertification, and appeal of decertification determinations pursuant to 45 CFR 155.1075 and 155.1080.	
The Exchange has a timeline for QHP issuer accreditation in accordance with 45 CFR 155.1045. The Exchange also has systems and procedures in place to ensure QHP issuers meet accreditation requirements (per 45 CFR 156.275) as part of QHP certification in accordance with applicable rulemaking and guidance.	
The Exchange has systems and procedures in place to ensure that QHP issuers meet the minimum certification requirements pertaining to quality reporting and provide relevant information to the Exchange and HHS pursuant to Affordable Care Act	

1311(c)(1), 1322(e)(3), and as specified in rulemaking.	
---	--

**Risk Adjustment and Reinsurance**

The State operates its own reinsurance program per Affordable Care Act 1341 requirements.	May elect to perform; can use Federal services
---	--

**Technology**

The Exchange technology and system functionality complies with relevant HHS information technology (IT) guidance.	
The Exchange has the adequate technology infrastructure and bandwidth required to support all of the Exchange activities.	
The Exchange effectively implements IV&V, quality management, and test procedures for Exchange development activities and demonstrates it has achieved HHS-defined essential functionality for each required activity.	

**Privacy and Security**

The Exchange has established and implemented written policies and procedures regarding the Privacy and Security standards set forth in 45 CFR 155.260(a)-(g).	
The Exchange has established and implemented safeguards that (1) ensure the critical outcomes in 45 CFR 155.260(a)(4), including authentication and identity proofing functionality, and (2) incorporates HHS IT requirements as applicable.	

**Oversight, Monitoring, and Reporting**

The Exchange has a process in place to perform required activities related to routine oversight and monitoring of Exchange activities (and will supplement those policies and procedures to implement regulations promulgated under the Affordable Care Act 1313).	
The Exchange has the capacity to track and report performance and outcome metrics related to Exchange Activities in a format and manner specified by HHS necessary for, but not limited to, annual reports required by Affordable Care Act 1313(a).	
The Exchange has instituted procedures and policies that promote compliance with the financial integrity provisions of Affordable Care Act 1313 (and will supplement those policies and procedures to implement regulations promulgated under the Affordable Care Act 1313), including the requirements related to accounting, reporting, auditing, cooperation with investigations, and application of the False Claims Act.	

**Contracting, Outsourcing, and Agreements**

The Exchange has executed appropriate contractual, outsourcing, and partnership agreements with vendors and/or State and Federal agencies for all Exchange activities and functionality as needed, including data and privacy agreements.	
---	--

**Consumer Assistance State Partnership Exchange Activities****State Partnership Exchange Activities**

The State has appropriate agreements to coordinate with the Federally-facilitated Exchange and has a plan for providing the Consumer Assistance activity(ies), including in-person assistance, for its State Partnership Exchange consistent with 45 CFR 155.205(d) and (e).	
The State has the capacity to interface with the Federally-facilitated Exchange, as necessary, to ensure a seamless consumer experience.	

**Consumer and Stakeholder Engagement and Support**

The Exchange establishes and operates a Navigator program that is consistent with the applicable requirements of 45 CFR 155.210, including the development of training and conflict of interest standards, and adheres to privacy and security standards specified in 45 CFR 155.210 and 45 CFR 155.260.	
--	--

**Risk Adjustment and Reinsurance**

The State operates its own reinsurance program per Affordable Care Act 1341 requirements.	May elect to perform; can use Federal services
---	--