



DEC 14 2012

Linda Elam  
Deputy Director, Department of Health Care Finance/Medicaid  
District Department of Health Care Finance  
899 North Capitol Street, NE  
Washington, D.C. 20002

Re: The District of Columbia Exchange Blueprint Approval Decision

Dear Ms. Elam:

The Centers for Medicare & Medicaid Services (CMS) thanks you for your team's continued collaboration in developing the District of Columbia Health Benefit Exchange (D.C. HBX). The D.C. HBX has been **conditionally approved** as a State-based Exchange for plan year 2014. Conditional approval will continue as long as the State continues to meet expected progress milestones and successfully demonstrates its ability to perform all required Exchange activities.

CMS has reached this decision based on the D.C. HBX's attestations, progress to date, and expected progress across the entire spectrum of Exchange requirements, contingent upon the following conditions:

1. Timely demonstration of the ability to perform all required Exchange Activities in line with the attestations the District of Columbia has made in its Exchange Blueprint Application submission. Attachment 1 outlines outstanding items and areas to be completed by the D.C. HBX;
2. Ongoing compliance with future guidance and regulations. During the first year of the program (plan year 2014), approval of a State-based Exchange will account for timelines related to guidance and infrastructure development; and
3. D.C. HBX's ability to ensure its sustainability model.

We will track the D.C. HBX's progress toward meeting these conditions using the benchmarks you have identified in your project plans (see Table A). These benchmarks will function as a gauge of progress, but do not represent all that the D.C. HBX must do to operate as a State-based Exchange. We will also continue to work with you to refine and finalize target dates for action.

The D.C. HBX may request reconsideration of its conditional approval by submitting a written request to CMS within 30 days of receiving this notice.

Table A

Blueprint Activity	Progress Benchmark	D.C. HBX Anticipated Date for Action
12.1	Systems integrator selected	12/15/2012
12.1	Exchange platform(s) selected	12/15/2012
4.2	QHP application available	02/01/2013
5.1	Notice of benefit and payment parameters published	03/01/2013
5.2	Establish or contract with an eligible nonprofit reinsurance entity	03/01/2013
5.2	Notice of benefit and payment parameters published if electing to: modify HHS payment parameters or contributions collection schedule; collect contributions; or use more than one reinsurance entity	03/01/2013
9.2	Functionality demonstrated and code verified for plan management (PM) Exchange components (e.g., QHP evaluation and certification, issuer portal)	03/15/2013
9.2	Functionality demonstrated and code verified for eligibility and enrollment (E&E) Exchange components (e.g., enrollment processing, verification interfaces, rate calculator)	03/15/2013
9.2	Functionality demonstrated and code verified for financial management (FM) Exchange components (e.g., APTC/CSR data reporting, SHOP, and individual premium billing)	03/15/2013
9.2	Functionality demonstrated for systems supporting consumer assistance (CA) functions (e.g., call center integration, call center)	03/15/2013
2.6	Navigator application released	03/30/2013
2.8	Agents/brokers policy established	03/30/2013
3.1	Exchange and SHOP application approved ( <i>if not using HHS-developed application</i> )	03/31/2013
3.2	Coordination strategy with State agencies, Insurance Affordability Programs, and SHOP implemented	03/31/2013
2.4	Call center contract awarded	04/01/2013
7.1	Core Exchange staff hired	04/01/2013
11.1	Oversight and monitoring metrics drafted	04/12/2013
2.3	Exchange branding and media/marketing campaign launched	04/30/2013
8.1	Acquisition of legal authority to generate revenue to ensure operational sustainability	05/01/2013
6.2	SHOP has premium aggregation functional capabilities established	06/01/2013
9.2	Data use agreements for State and agency data sources in place and submitted to CMS	06/01/2013

Blueprint Activity	Progress Benchmark	D.C. HBX Anticipated Date for Action
10.3b	Substantially completed Safeguard Procedures Report submitted to IRS for approval	06/01/2013
9.2	Development of PM Exchange components completed	06/28/2013
9.2	Development of FM Exchange components completed	06/28/2013
9.2	Development of E&E Exchange components completed	06/28/2013
9.2	Development of CA Exchange components completed	06/28/2013
3.3	Eligibility application published	06/30/2013
3.4	Notices finalized	06/30/2013
3.5	Data-sharing agreements signed	06/30/2013
2.4	Call center training begins	07/01/2013
2.6/2.7	Navigator and marketplace assisters selection completed	07/01/2013
4.2	Certification of QHPs completed	07/01/2013
9.2	Connectivity established for all required Data Services Hub services	07/01/2013
4.3	Plan management (PM) and bid evaluation system launched	07/19/2013
9.2	Hub and partner testing on all Data Services Hub services completed	08/01/2013
9.2	Communications and security certification testing of all Data Services Hub services completed	08/01/2013
9.2	Preproduction testing of all Data Services Hub services completed	08/01/2013
9.2	Production environment setup completed	08/01/2013
2.4	Call center live	08/30/2013
3.11	Appeals standard operating procedures (SOPs) adopted	08/31/2013
3.11	Appeals business process model/functional capabilities established	08/31/2013
2.3	Outreach and education materials dissemination begins	09/01/2013
2.6/2.7	Navigators/marketplace assisters begin work	09/01/2013
2.8	Agents/brokers begin work	09/01/2013
4.2	Plan options posted online	09/01/2013
9.2	Systems testing complete and results submitted to CMS for all Exchange components	09/15/2013
9.2	Independent verification and validation (IV&V) testing complete and results submitted to CMS	09/20/2013
2.5	Website launched	09/30/2013

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It has been a pleasure to work with the D.C. HBX team, and we welcome the prospect of continued collaboration to provide health insurance access to approximately 180,000 District of Columbia residents through the Exchange beginning in 2014.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Tavenner". The signature is written in black ink and is positioned above the printed name and title.

Marilyn Tavenner  
Acting Administrator



DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop C2-21-15  
Baltimore, Maryland 21244-1850

## ATTACHMENT 1: BLUEPRINT SUBMISSION TABLE

Attachment 1 summarizes the State Exchange's Blueprint Application submission and includes attestations representing an Exchange activity's completion or expected completion date, the status of testing files, and supporting documentation. It is also designed to provide feedback to the State regarding any outstanding issues with supporting documentation, including any modifications/actions that are needed by the State in order to meet the requirements of a specified Exchange activity. HHS expects to use this table jointly with States to track ongoing State progress towards meeting the requirements of the Blueprint.

Exchange Activity	Attestation	Testing Files <sup>1</sup>		Supporting Documentation		Activity Requirements Met
		State Summary	HHS-Developed IV&V	Documentation Complete	Issues Identified	
<b>1.0 Legal Authority and Governance</b>						
1.1 Enabling authority for Exchange and SHOP	Attested				Yes	Yes
1.2 Board and governance structure	Attested			<a href="#">doc10270</a>	Yes	Yes
				<a href="#">doc10269</a>	Yes	
<b>2.0 Consumer and Stakeholder Engagement and Support</b>						
2.1 Stakeholder consultation plan	Attested			<a href="#">BP Con/Stk Narrative</a> <a href="#">BP Comm. Plan</a>	Yes	Yes
2.2 Tribal consultation plan	N/A					N/A

<sup>1</sup> See Table B Progress Benchmarks for specific testing dates



Exchange Activity	Attestation	Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met	
		State Summary	HHS Developed	IV&V	CALT ID or B.P. doc	Documentation Complete		Issues Identified
2.3 Outreach and education	09/01/2103	Completion					Need to provide an outreach plan	Open
2.4 Call center	08/30/2013						Need to provide a call center strategy with toll-free number	Open
2.5 Internet web site	09/01/2013						Need to provide a Web site operations plan and URL	Open
2.6 Navigators	08/01/2013						Need to provide a plan for the Navigator program	Open
2.7 In-person assistance program (Marketplace Assistors)	07/01/2013						Need to provide a plan for the In-person Assistance program	Open
2.8 Agents/brokers	03/30/2013						Need to define agents and brokers and provide compensation model	Open
2.9 Web brokers	N/A						N/A	N/A
<b>3.0 Eligibility and Enrollment</b>								

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Exchange Activity	Attestation		Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
	Completion	Using Federally-managed services	State Summary	HHS-Developed	CALT ID or B.P. doc	Documentation Complete	Issues Identified	
3.1 Single streamlined application(s) for Exchange and SHOP	Using Federally-managed services				D.C. Work Plan	No	Awaiting HHS single streamlined application	Open
3.2 Coordination strategy with Insurance Affordability Programs and the SHOP	03/31/2013				BP EE Checklist Answers	Yes		Open
3.3 Application, updates, acceptance and processing, and responses to redeterminations	06/30/2013							Open
3.4 Notices, data matching, annual redeterminations and response processing	06/30/2013				BP Interface List D.C. Work Plan	Yes		Open
3.5 Verifications	06/30/2013				BP EE Checklist Answers BP IVV SOW D.C. Work Plan	No	Need to provide further details on the State data sources that will be accessed through electronic interfaces and finalize MOUs	Open
3.6 Document acceptance and processing	06/30/2013							Open
3.7 Eligibility determination	06/30/2013							Open





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Exchange Activity	Attestation		Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
	Completion	State Summary	HHS-Developed	IV&V	CAL ID or B.P. doc	Documentation Complete	Issues Identified	
3.8 Eligibility determinations for APTC and CSR <sup>2</sup>	06/30/2013				BP EE Checklist Answers BP IVV SOW D.C. Work Plan	No	Need to provide description of the end-to-end process, including activities conducted by the Exchange and integration points with the Federally-managed service	Open
3.9 Applicant and employer notification	06/30/2013							Open
3.10 Individual responsibility requirement and payment exemption determinations <sup>2</sup>	08/31/2013				BP IVV SOW D.C. Work Plan	No	Need to provide description of the end-to-end process, including activities conducted by the Exchange and integration points with the Federally-managed service	Open
3.11 Eligibility appeals	06/30/2013							Open
3.12 QHP selections and terminations, and APTC/advance CSR information processing	06/30/2013							Open
3.13 Electronically report results of eligibility assessments and determinations	08/31/2013							Open
3.14 Pre-Existing Condition Insurance Plan (PCIP) transition	06/30/2013							Open
<b>4.0 Plan Management</b>								
4.1 Appropriate authority to perform and oversee certification of QHPs	Attested				D.C. Code 31-3171.04 BP Establishment Act	Yes		Yes

<sup>2</sup> If the Exchange is using Federally-managed services for these activities, Blueprint documentation is required by the State. If the State is performing these activities, no Blueprint documentation is required.

Attachment 1-4

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Exchange Activity	Attestation	Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
		State Summary	HHS-Developed	CALT ID or B.P. doc	Documentation Complete	Issues Identified	
4.2 QHP certification process	09/01/2013	Completion	IV8V	BP PM Additional info D.C. Work Plan	Yes	Awaiting further guidance and use of SERFF	Open
4.3 Plan management system(s) or processes that support the collection of QHP issuer and plan data	09/01/2013			BP PM Additional info D.C. Work Plan	Yes	Awaiting further guidance and use of SERFF	Open
4.4 Ensure ongoing QHP compliance	12/31/2012			BP PM Additional info D.C. Work Plan	No	Need to provide final intermediate sanctions	Open
4.5 Support issuers and provide technical assistance	Attested			BP PM Des. Rev. v3 BP PM Additional info	Yes		Yes
4.6 Issuer recertification, decertification and appeals	12/31/2012			BP PM Des. Rev. v3 BP PM Additional info	No	Need to provide decertification criteria and plan to transition enrollees	Open
4.7 Timeline for QHP accreditation	12/31/2012			D.C. Work Plan			Open
4.8 QHP quality reporting	04/01/2013						Open
<b>5.0 Risk Adjustment &amp; Reinsurance</b>							
5.1 Risk adjustment program	Using Federally-managed services			N/A	N/A	N/A	Open



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Exchange Activity	Attestation		Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
	Completion	Using Federally-managed services	State Summary	HHS-Developed (Y/N)	CALT ID or B.P. doc	Documentation Complete	Issues Identified	
5.2 Reinsurance program	Using Federally-managed services				N/A	N/A	N/A	Open
<b>6.0 SHOP</b>								
6.1 SHOP compliance with 45 CFR 155 Subpart H	12/31/2012				BP SHCP Des. Rev. v4	Yes		Open
6.2 SHOP premium aggregation	06/01/2013				D.C. Work Plan			Open
6.3 Electronically report results of eligibility assessments and determinations for SHOP	06/01/2013							Open
<b>7.0 Organization &amp; Human Resources</b>								
7.1 Organizational structure and staffing resources to perform Exchange activities	03/01/2013				BP Org HR Narrative	Yes	Need to implement staffing plan	Open
<b>8.0 Finance &amp; Accounting</b>								
8.1 Long-term operational cost, budget, and management plan	05/01/2013				BP Finance Acct Narrative	No	Need to provide the final decision for revenue model	Open
<b>9.0 Technology</b>								
9.1 Compliance with HHS IT Guidance	Attested				BP IT Des. Rev.	Yes		Open
9.2 Adequate technology infrastructure and bandwidth	06/28/2013							Open

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Exchange Activity	Attestation	Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
		State Summary	HHS-Developed	CALT ID or B.P. doc	Documentation Complete	Issues Identified	
9.3 IV&V, quality management and test procedures	09/27/2013	Completion	IV&V	BP IT Des. Rev. D.C. Work Plan	No	Need to implement quality management and IV&V activities	Open
<b>10.0 Privacy &amp; Security</b>							
10.1 Privacy and Security standards policies and procedures	09/20/2013						Open
10.2 Safeguards based on HHS IT guidance	09/20/2013						Open
10.3 Safeguard protections for Federal information	09/20/2013						Open
10.3b IRS letter of acceptance on Safeguard Procedures Report	09/20/2013						Open
<b>11.0 Oversight, Monitoring, &amp; Reporting</b>							
11.1 Routine oversight and monitoring of the Exchange's activities	04/12/2013			BP Program Integrity Plan D.C. Work Plan	No	Need to submit a final program integrity plan that addresses financial management, governance, privacy and security assessment, audit strategy, finance policy, fraud and abuse, system program integrity, and reporting  Need to submit a final audit strategies for QHPs, Navigators/agents/brokers/assisters, consumers, employers and employees, method of quality assurance using periodic samplings, and semi-annual assessment of current strategies	Open



Exchange Activity	Attestation	Testing Files <sup>1</sup>		Supporting Documentation			Activity Requirements Met
		State Summary	HHS-Developed	CALT ID or B.P. doc	Documentation Complete	Issues Identified	
11.2 Track/report performance and outcomes metrics related to Exchange activities	09/20/2013	Completion	IV&V	BP Program Integrity Plan D.C. Work Plan	No	Need to submit its final plans for program integrity, including developing activity-related performance metrics for SHOP	Open
11.3 Uphold financial integrity provisions including accounting, reporting, and auditing procedures	09/20/2013			BP Program Integrity Plan D.C. Work Plan	No	Need to provide a financial management governance plan which includes a financial manager who will ensure development of annual financial statements in accordance with generally accepted accounting principles (GAAP), support annual audits, and confirm financial measures, best practices, and standards are followed	Open
<b>12.0 Contracting, Outsourcing, and Agreements</b>							
12.1 Contracting and outsourcing agreements	03/31/2013			BP Contracting PPs BP Contract Checklist Answers	Yes	Need to provide final list of all contracts and agreements once all vendors are procured	Open
<b>13.0 State Partnership Exchange Activities (Not applicable for State-based Exchanges)</b>							
13.1 Plan Management Agreements	N/A						N/A
13.2 Capacity to interface with the Federally-facilitated Exchange	N/A		N/A				N/A
13.3 Consumer Assistance Agreements	N/A			N/A	N/A	N/A	N/A