

*Illinois Department of Insurance  
State Planning and Establishment Grants for the Affordable Care Act's Exchanges (CFDA: 93525)*

## **Application Cover Sheet**

### **IDENTIFYING INFORMATION**

Grant Opportunity: **State Planning and Establishment Grants for the Affordable Care Act's Exchanges**

*DUNS #:* 1449653600000                      *Grant Award:* \$1,000,000.00

*Applicant:* Illinois Department of Insurance

*Primary Contact Person, Name:* Kate Gross

*Telephone Number:* 312-814-1236    *Fax number:* 312-814-5416

*Email address:* Kate.Gross@illinois.gov



# Illinois Department of Insurance

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PAT QUINN  
Governor

Michael T. McRaith  
Director

September 1, 2010

Kathleen Sebelius, Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

**Re: *CFDA Number 93.525.***

Dear Secretary Sebelius:

The Illinois Department of Insurance, on behalf of the State of Illinois, is respectfully requesting \$1,000,000 to fund the Illinois Health Insurance Exchange Project through the *State Planning and Establishment Grants for the Affordable Care Act's Exchanges*, CFDA: 93.525. Under the leadership of Governor Pat Quinn, the Illinois Department of Insurance and the Illinois Department of Healthcare and Family Services will lead efforts for the planning and implementation of an "American Health Benefits Exchange" in Illinois.

Illinois' current health insurance marketplace is dysfunctional, provides few options for families and small businesses to purchase affordable health insurance coverage, and denies or limits coverage for those most in need of care. The Affordable Care Act will fundamentally improve the performance, transparency and accountability of health insurers and health products in Illinois and provide new opportunities for Illinois' families and businesses to access comprehensive, affordable coverage. The grant will enable Illinois to achieve these objectives by supporting the State's development of a comprehensive roadmap to efficiently and effectively implement an "American Health Benefits Exchange" in Illinois.

The Illinois Health Insurance Exchange Project Director will be Michael Gelder, Senior Health Care Advisor, Office of Governor Pat Quinn. His contact information is included below:

Michael Gelder  
Senior Health Care Advisor  
Office of Governor Pat Quinn  
James R. Thompson Center  
100 W. Randolph, Suite 16-100  
Chicago, IL 60601  
Phone: (312)814-2121  
[Michael.Gelder@illinois.gov](mailto:Michael.Gelder@illinois.gov)

Governor Quinn and his administration support responsible, professional and cost-effective development and implementation of the Exchange so that it can serve as a meaningful and effective

September 1, 2010

– Page Two –

portal for health insurance coverage. Thank you for your consideration of our request. If you have any questions about this proposal, please contact Kate Gross at (312) 814-1236.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael T. McRaith". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Michael T. McRaith  
Director, Illinois Department of Insurance

cc: Michael Gelder

<b>Opportunity Title:</b>	State Planning and Establishment Grants for the Affordability
<b>Offering Agency:</b>	Ofc of Consumer Information & Insurance Oversight
<b>CFDA Number:</b>	93.525
<b>CFDA Description:</b>	State Planning and Establishment Grants for the Affordability
<b>Opportunity Number:</b>	IE-HBE-10-001
<b>Competition ID:</b>	IE-HBE-10-001-011777
<b>Opportunity Open Date:</b>	07/29/2010
<b>Opportunity Close Date:</b>	09/01/2010
<b>Agency Contact:</b>	Donna Laverdiere Office of Consumer Information and Insurance Oversight Department of Health and Human Services (301) 492-4145 Donna.Laverdiere@hhs.gov

**This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.**

**If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.**

**This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.**

\* **Application Filing Name:**

### Mandatory Documents

Move Form to Complete

Move Form to Delete

### Mandatory Documents for Submission

Application for Federal Assistance (SF-424)  
Assurances for Non-Construction Programs (SF-424)  
Disclosure of Lobbying Activities (SF-LLL)  
Project/Performance Site Location(s)  
Budget Information for Non-Construction Program  
Project Abstract Summary  
Project Narrative Attachment Form

### Optional Documents

Move Form to Submission List

Move Form to Delete

### Optional Documents for Submission

## Instructions

- 1** Enter a name for the application in the **Application Filing Name** field.

  - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
  - You can save your application at any time by clicking the "Save" button at the top of your screen.
  - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
  
- 2** Open and complete all of the documents listed in the **"Mandatory Documents"** box. **Complete the SF-424 form first.**

  - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
  - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
  - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
  - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
  
- 3** Click the **"Save & Submit"** button to submit your application to Grants.gov.

  - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
  - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
  - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
  - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

**Application for Federal Assistance SF-424**

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
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* 3. Date Received: <input type="text" value="09/01/2010"/>	4. Applicant Identifier: <input type="text"/>
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5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text"/>
--	---

**State Use Only:**

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
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**8. APPLICANT INFORMATION:**

\* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="03-0452423"/>	* c. Organizational DUNS: <input type="text" value="1449653600000"/>
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**d. Address:**

\* Street1:   
Street2:   
\* City:   
County/Parish:   
\* State:   
Province:   
\* Country:   
\* Zip / Postal Code:

**e. Organizational Unit:**

Department Name: <input type="text" value="Department of Insurance"/>	Division Name: <input type="text"/>
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**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

Title:

Organizational Affiliation:

\* Telephone Number:  Fax Number:

\* Email:

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

**11. Catalog of Federal Domestic Assistance Number:**

93.525

CFDA Title:

State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges

**\* 12. Funding Opportunity Number:**

IE-HBE-10-001

\* Title:

State Planning and Establishment Grants for the Affordable Care Act?s Exchanges

**13. Competition Identification Number:**

IE-HBE-10-001-011777

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:

Fax Number:

\* Email:

\* Signature of Authorized Representative:

\* Date Signed:

## Other Attachment File(s)

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\* **Mandatory Other Attachment Filename:**

[Add Mandatory Other Attachment](#)

[Delete Mandatory Other Attachment](#)

[View Mandatory Other Attachment](#)

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To add more "Other Attachment" attachments, please use the attachment buttons below.

[Add Optional Other Attachment](#)

[Delete Optional Other Attachment](#)

[View Optional Other Attachment](#)

## Project Abstract Summary

**Program Announcement (CFDA)**

93.525

**\* Program Announcement (Funding Opportunity Number)**

IE-HBE-10-001

**\* Closing Date**

09/01/2010

**\* Applicant Name**

Illinois Department of Insurance

**\* Length of Proposed Project**

12

**Application Control No.**

**Federal Share Requested (for each year)**

**\* Federal Share 1st Year**

\$ 1,000,000

**\* Federal Share 2nd Year**

\$ 0

**\* Federal Share 3rd Year**

\$ 0

**\* Federal Share 4th Year**

\$ 0

**\* Federal Share 5th Year**

\$ 0

**Non-Federal Share Requested (for each year)**

**\* Non-Federal Share 1st Year**

\$ 0

**\* Non-Federal Share 2nd Year**

\$ 0

**\* Non-Federal Share 3rd Year**

\$ 0

**\* Non-Federal Share 4th Year**

\$ 0

**\* Non-Federal Share 5th Year**

\$ 0

**\* Project Title**

State Planning and Establishment Grants for the Affordable Care Act's Exchanges

## Project Abstract Summary

### \* Project Summary

Illinois Department of Insurance

State Planning and Establishment Grants for the Affordable Care Act's Exchanges (CFDA: 93525)

ILLINOIS HEALTH INSURANCE EXCHANGE PROJECT ABSTRACT

On behalf of the state of Illinois, the Illinois Department of Insurance (DOI) hereby submits the grant application for the State Planning and Establishment Grants for the Affordable Care Act's Exchanges (CFDA: 93525). In this grant application for the Illinois Health Insurance Exchange Project, we have laid out a framework for developing the process to establish an "American Health Benefits Exchange" ("Insurance Exchange"), as authorized in Section 1311 of the Affordable Care Act (ACA). The Project encompasses two goals. First, the State will perform a comprehensive study of the status of health coverage in Illinois, as well as the structural elements and State resources necessary to efficiently and effectively implement an Insurance Exchange. Second, subject to and consistent with the recommendations of the Insurance Exchange Planning Group, the State will develop a structure and timeline for implementation of an Insurance Exchange in Illinois that reflects the recommendations of the Health Reform Implementation Council.

This initial planning process is made up of six primary activities: (1) complete an in-depth study of health coverage in Illinois; (2) assess the resources needed to implement an Insurance Exchange in Illinois; (3) bring together State agencies to develop a governance, management, and regulatory framework for an Insurance Exchange; (4) engage outside stakeholders in an open and transparent development and implementation process; (5) draft appropriate enabling legislation for the Illinois Insurance Exchange; and (6) begin detailed strategic implementation planning for the operational, financial, and technical requirements of the Insurance Exchange. The proposed budget for this initial planning stage is \$1,000,000. This grant application identifies and proposes to fund key staff to lead this effort, along with milestone deliverables which will be produced as part of the planning process. This application clearly delineates the responsibilities of those who will be planning and facilitating the creation of the Insurance Exchange in Illinois. Additionally, this grant application proposes the use of outside experts to perform some of the research and analyses necessary to plan the implementation of the Insurance Exchange in a methodical and evidence-based manner. Outreach expenditures are also budgeted to ensure that stakeholders are identified engaged, and informed at every stage of the planning process. Illinois' families and small businesses have long suffered the consequences of a dysfunctional marketplace for health insurance coverage. The resources provided through this opportunity will enable the State to remove many of the barriers to competition and choice, and provide Illinoisans with access to more affordable, comprehensive health coverage through a consumer-friendly system.

\* Estimated number of people to be served as a result of the award of this grant.

12900000

### Project/Performance Site Location(s)

**Project/Performance Site Primary Location**

I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Project/Performance Site Location 1**

I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Additional Location(s)**

Add Attachment

Delete Attachment

View Attachment

## Project Narrative File(s)

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\* **Mandatory Project Narrative File Filename:**

[Add Mandatory Project Narrative File](#)

[Delete Mandatory Project Narrative File](#)

[View Mandatory Project Narrative File](#)

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To add more Project Narrative File attachments, please use the attachment buttons below.

[Add Optional Project Narrative File](#)

[Delete Optional Project Narrative File](#)

[View Optional Project Narrative File](#)

## Budget Narrative File(s)

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\* **Mandatory Budget Narrative Filename:**

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

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To add more Budget Narrative attachments, please use the attachment buttons below.

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)

**BUDGET INFORMATION - Non-Construction Programs**

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. State Planning and Establishment Grants for the Affordable Care Act's Exchanges	93.525	\$	\$	\$ 1,000,000.00	\$	\$ 1,000,000.00
2.						
3.						
4.						
<b>5. Totals</b>		\$	\$	\$ 1,000,000.00	\$	\$ 1,000,000.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	State Planning and Establishment Grants for the Affordable Care Act's Exchanges				
<b>a. Personnel</b>	\$ 146,259.00	\$	\$	\$	146,259.00
<b>b. Fringe Benefits</b>	75,292.00				75,292.00
<b>c. Travel</b>	5,000.00				5,000.00
<b>d. Equipment</b>	19,800.00				19,800.00
<b>e. Supplies</b>					
<b>f. Contractual</b>	728,649.00				728,649.00
<b>g. Construction</b>					
<b>h. Other</b>	25,000.00				25,000.00
<b>i. Total Direct Charges (sum of 6a-6h)</b>	1,000,000.00				\$ 1,000,000.00
<b>j. Indirect Charges</b>					
<b>k. TOTALS (sum of 6i and 6j)</b>	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
<b>7. Program Income</b>					
	\$	\$	\$	\$	

Authorized for Local Reproduction

**SECTION C - NON-FEDERAL RESOURCES**

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	\$	\$	\$	\$
9.				
10.				
11.				
12. TOTAL (sum of lines 8-11)	\$	\$	\$	\$

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 1,000,000.00	\$ 73,750.00	\$ 489,139.60	\$ 355,409.90	\$ 81,700.50
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)	\$ 1,000,000.00	\$ 73,750.00	\$ 489,139.60	\$ 355,409.90	\$ 81,700.50

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	\$	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges:		22. Indirect Charges:	
23. Remarks:			

## ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Kate Gross</p>	<p>* TITLE</p> <p>Director, Illinois Department of Insurance</p>
<p>* APPLICANT ORGANIZATION</p> <p>Illinois Department of Insurance</p>	<p>* DATE SUBMITTED</p> <p>09/01/2010</p>

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB  
0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
--	--	--

**4. Name and Address of Reporting Entity:**  
 Prime     SubAwardee

\* Name: Illinois Department of Insurance

\* Street 1: 100 W. Randolph Street, Suite 9-301    Street 2: \_\_\_\_\_

\* City: Chicago    State: IL: Illinois    Zip: 60601

Congressional District, if known: \_\_\_\_\_

**5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:**

<b>6. * Federal Department/Agency:</b> Department of Health and Human Services	<b>7. * Federal Program Name/Description:</b> State Planning and Establishment Grants for the Affordable Care Act (ACA)-s Exchanges CFDA Number, if applicable: 93.525
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<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____
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**10. a. Name and Address of Lobbying Registrant:**

Prefix \_\_\_\_\_ \* First Name n/a \_\_\_\_\_ Middle Name \_\_\_\_\_

\* Last Name n/a \_\_\_\_\_ Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**b. Individual Performing Services** (including address if different from No. 10a)

Prefix \_\_\_\_\_ \* First Name n/a \_\_\_\_\_ Middle Name \_\_\_\_\_

\* Last Name n/a \_\_\_\_\_ Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**11.** Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* Signature: Kate Gross

\* Name: Prefix \_\_\_\_\_ \* First Name Michael \_\_\_\_\_ Middle Name \_\_\_\_\_  
\* Last Name McRaith \_\_\_\_\_ Suffix \_\_\_\_\_

Title: Director, Illinois Department of Insurance    Telephone No.: 312-814-9200    Date: 09/01/2010

## **ILLINOIS HEALTH INSURANCE EXCHANGE PROJECT ABSTRACT**

On behalf of the state of Illinois, the Illinois Department of Insurance (DOI) hereby submits the grant application for the *State Planning and Establishment Grants for the Affordable Care Act's Exchanges* (CFDA: 93525). In this grant application for the Illinois Health Insurance Exchange Project, we have laid out a framework for developing the process to establish an "American Health Benefits Exchange" ("Insurance Exchange"), as authorized in Section 1311 of the Affordable Care Act (ACA). The Project encompasses two goals. First, the State will perform a comprehensive study of the status of health coverage in Illinois, as well as the structural elements and State resources necessary to efficiently and effectively implement an Insurance Exchange. Second, subject to and consistent with the recommendations of the Insurance Exchange Planning Group, the State will develop a structure and timeline for implementation of an Insurance Exchange in Illinois that reflects the recommendations of the Health Reform Implementation Council.

This initial planning process is made up of six primary activities: (1) complete an in-depth study of health coverage in Illinois; (2) assess the resources needed to implement an Insurance Exchange in Illinois; (3) bring together State agencies to develop a governance, management, and regulatory framework for an Insurance Exchange; (4) engage outside stakeholders in an open and transparent development and implementation process; (5) draft appropriate enabling legislation for the Illinois Insurance Exchange; and (6) begin detailed strategic implementation planning for the operational, financial, and technical requirements of the Insurance Exchange.

The proposed budget for this initial planning stage is \$1,000,000. This grant application identifies and proposes to fund key staff to lead this effort, along with milestone deliverables which will be produced as part of the planning process. This application clearly delineates the responsibilities of those who will be planning and facilitating the creation of the Insurance Exchange in Illinois. Additionally, this grant application proposes the use of outside experts to perform some of the research and analyses necessary to plan the implementation of the Insurance Exchange in a methodical and evidence-based manner. Outreach expenditures are also budgeted to ensure that stakeholders are identified, engaged, and informed at every stage of the planning process.

Illinois' families and small businesses have long suffered the consequences of a dysfunctional marketplace for health insurance coverage. The resources provided through this opportunity will enable the State to remove many of the barriers to competition and choice, and provide Illinoisans with access to more affordable, comprehensive health coverage through a consumer-friendly system.

### **Project Narrative**

On behalf of the State of Illinois, the Illinois Department of Insurance (DOI) hereby submits the grant application for the *State Planning and Establishment Grants for the Affordable Care Act's Exchanges* (CFDA: 93525), established under Section 1311 of the Affordable Care Act (ACA). Under the leadership of Governor Pat Quinn, the State plans to develop the process for establishing a State-based "American Health Benefit Exchange" ("Insurance Exchange"). If awarded the grant of \$1 million requested through this application, the State will establish a proposed structure and timeline for implementation of an Insurance Exchange in Illinois that reflects the recommendations of the Health Reform Implementation Council. At a minimum, the initial planning process will include the following primary activities:

- A.** Review, update and supplement existing studies on the current status of health insurance coverage for Illinois' broad and diverse population;
- B.** Assess staffing, financial, information technology and other resources needed to effectively implement an Insurance Exchange in Illinois;
- C.** Establish a state-based planning group charged with developing a recommended governance framework for the Insurance Exchange, including its structure, the regulatory authority, and financing for the Insurance Exchange;
- D.** Facilitate appropriate stakeholder engagement for the development and implementation of the Insurance Exchange;
- E.** Evaluate and draft legislative options to develop and implement an Insurance Exchange in Illinois; and

- F. Adopt a six-year strategic and business plan to develop and implement an Insurance Exchange, including plans for business operations, technical infrastructure, program integration, financial systems, and any additional necessary regulatory or policy actions.

Key deliverables associated with this grant include:

- Recommendations for and an initial draft of legislation to establish an Insurance Exchange in Illinois;
- A comprehensive baseline report on the current status of health insurance coverage and the health insurance market in Illinois;
- Two resource assessments for establishing an Insurance Exchange in Illinois which will lead to RFPs for subsequent detailed design and/or implementation assistance;
- A series of Illinois-specific Insurance Exchange reports that will guide the strategic and business planning discussions; and
- A final comprehensive report for HHS outlining a six-year plan for establishing and maintaining an Insurance Exchange in Illinois.

For the benefit of stakeholders and the U.S. Department of Health and Human Services (HHS), appropriate materials will be made publically available through the Governor and Department's health care reform websites.

**A. Background Research.**

As part of designing and implementing the Insurance Exchange in Illinois, the State recognizes the need to study, analyze and report on the status of health insurance coverage in Illinois. Vital data includes the number and characteristics of those individuals and employers eligible and likely to enroll in a plan through the Insurance Exchange. A baseline health care coverage analysis will be conducted and will be based upon previous reports and analysis. The final report, to be compiled by an external

source, will describe the overall environment in which the Exchange will be operating. The State will budget \$60,000 for the cost of organizing the background research and creating a final product. The baseline background report will include the following:

- The number of uninsured;
- Demographic characteristics of the uninsured, including income, geographic location, age, race, religion, family size, health status, and those eligible but unenrolled in public programs such as Medicaid and Illinois' All Kids program;
- The number of individuals that access coverage through the individual market, fully-insured group coverage, public programs, self-insured plans, municipal and state health plans, and other markets;
- Trends in enrollment coverage among the various options available;
- Barriers in the insurance marketplace which reduce competition and exclude new entrants, such as not-for-profit health insurers;
- The number of underinsured, including those underinsured whose existing health conditions are excluded from coverage by a health insurer (or those with total out-of-pocket spending costs that consume more than ten percent of the policyholder's income, or five percent if the policyholder is low-income<sup>1</sup>);
- Future projections for the number and characteristics of the uninsured;
- Barriers to affordable coverage for existing uninsured and underinsured;
- The impact of income, education, race, religion or sexual orientation on the amount paid by an insured;

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<sup>1</sup> Schoen, Cathy, Sara R. Collins, Jennifer L. Kriss, and Michelle M. Doty (2008) Health Affairs 27, no. 4: w299 (published online 10 June 2008; 10.1377/hlthaff.27.4.w298)

- The number of carriers in Illinois that serve the individual, small group, and large group market, and each carrier's relative market share (both state-wide and regionally);
- Loss ratios of health insurers operating in Illinois;
- The number of policyholders insured through each carrier;
- Regional variation in access to health insurance carriers;
- Levels of actual premiums charged by health insurance market and type of product (HMO, PPO);
- Common benefit design and associated cost-sharing among commercial health insurance products;
- Relationships between benefit design and premiums charged; and
- Regional variation in provider networks and network adequacy among commercial health insurance products.

**B. Evaluation of Current Resources and Capabilities.**

Separate analyses will assess the needs for staffing, budgeting, and other resources necessary for the State to effectively develop, construct and implement an Insurance Exchange. Based in part on the background research, along with current and anticipated future spending, staffing, and other constraints, the State will commission two resource assessments for developing, maintaining, and improving an Insurance Exchange – one focused on the broad needs for the State, and a second focusing more specifically on the business operations and other needs related to eligibility and enrollment systems.

At a minimum, the initial broad resource assessment will evaluate necessary needs and capabilities:

- *Staffing* within existing State agencies and for a new Insurance Exchange entity, if any;

- *Processes* for eligibility and enrollment, trouble-shooting, evaluation of procedures, transparency in the process, and outreach to potentially eligible individuals in Illinois;
- *Information technology*, including development of new technology and interoperability and other upgrades to existing technology;
- *Budgetary Needs* that exist in the current budget and financial models to anticipate needs for future budget years, if any;
- *Economic and Actuarial Modeling* to understand the impact of new, mandated reforms on premiums, the impact of maintaining existing state benefit mandates, and the impact of adopting different exchange policies or adopting an early phase-in of the market reforms on insurance market prices, market stability, product design, and costs/savings for the State budget; and
- *Additional legislative or regulatory authority* such as adopting State laws or regulations that mirror the ACA to eliminate ambiguity.

The second resource assessment will focus specifically on enrollment, eligibility and verification processes for those currently or newly eligible for Medicaid. These elements are particularly critical pieces, both in terms of Insurance Exchange functioning and in maintaining integration with other programs, including the existing Medicaid system. One of the goals of the ACA is to simplify processes so that a single application will be sufficient to make determinations on all appropriate forms of coverage. Thus, the State expects that a functional enrollment, eligibility and recertification system or systems should:

- Help consumers understand the different types of available coverage and provide information to help guide family and employer choices;

- Make applying for coverage easy and efficient—including a high functioning, user-friendly and accessible web interface, along with more traditional forms of enrollment, to encourage enrollment;
- Minimize the amount of information collected while also collecting and verifying sufficient information to determine simultaneous eligibility for Medicaid or subsidies on the Insurance Exchange;
- Reconcile potentially differing eligibility requirements of Medicaid and Insurance Exchange subsidies, including concerns regarding timing if income verification;
- Integrate with other programs, such as Temporary Aid for Needy Families (TANF) and Supplemental Nutritional Assistance (SNAP); and
- Protect the privacy of an applicant's personal information.

Planning for such a system (or systems) will have two phases: (1) an assessment of needs and consensus on broad direction; and (2) a detailed planning process that will lead to the development of an RFP and other specific steps toward actual implementation, if a state-based exchange is determined to be an appropriate course of action. The State anticipates the planning grant will fund only the initial assessment and the development of RFPs for subsequent assistance. The second phase of detailed planning will require additional funding.

As part of the initial needs assessment, Illinois will:

- Specify business requirements for enrollment and verification procedures for those who are currently or will be newly eligible for Medicaid and for Insurance Exchange subsidies;
- Review the capacity of the current Medicaid enrollment eligibility system to accommodate these needs;

- Outline alternatives to meet core objectives in a timely manner, considering the impact of various options on systems for eligibility determination for related programs such as TANF, SNAP and other programs that have historically been driven off the same systems in Illinois (and which may already contain potentially relevant information about applicants); and
- Make decisions about the general direction and strategy of systems to implement the ACA.

Decisions related to eligibility and enrollment systems will be prioritized ahead of some of the other specific design decisions due to the complexity and the lengthy timeline necessary to integrate these systems. If the state-based exchange is determined to be an appropriate course of action, this will allow the State to issue an RFP for consulting services for the second half of the design phase (for eligibility and enrollment systems) in late Spring or early Summer of 2011.

The State plans to commission third-party entities to conduct the two resource assessments immediately upon receipt of grant funding. Due to state law procurement processes, the State is unable to provide the name and a letter of agreement from such an entity at this time, but will provide it to HHS upon completion of the procurement process. Once an entity or entities is/are identified for the projects and a formal agreement is executed, the State expects a final work product within three months. A routine procurement process takes about twelve weeks; therefore, the State expects delivery of a final resource assessment within eight months of the grant award. Illinois is budgeting \$351,731.50 of the grant dollars to commission the broad resource assessment, and \$316,917 to commission the more specific consulting services related to business operations for enrollment, eligibility and verification processes for the newly eligible.

### **C. Formal Planning Structure.**

On July 30, 2010, Governor Quinn issued an Executive Order to establish the Illinois Health Reform Implementation Council (“Council”) -- *See Appendix A*. This Council is composed of eleven

Departments or Agencies with relevant authority over different aspects of the State health care reform effort, and is led by two co-chairs: the heads of DOI and the Department of Healthcare and Family Services (HFS). Among other things, the Council is responsible for making recommendations regarding the opportunities and responsibilities of the State to “establish a health insurance exchange and related consumer protection reforms.” The Council is required under the Executive Order to provide the Governor with recommendations regarding the Insurance Exchange not later than December 31, 2010. Building on this mandate, DOI and HFS, in coordination with the Governor, will establish an Insurance Exchange Planning Group (“Group”). As a subgroup of the Council, the Group will be responsible for planning related to the Insurance Exchange over the next year.

During the interim planning stages, while the Group is considering the broad recommendations for enabling legislation (described below), designated staff from the Governor’s Office, the DOI and HFS will be responsible for drafting a series of detailed Insurance Exchange Planning reports. These reports will guide the evaluation of policy alternatives that relate to Illinois-specific health insurance and public aid programs. The purpose of these reports will be to structure conversations during the first year of planning, and to ensure the Group has contemplated all reasonable options for an Insurance Exchange. The content of these reports is discussed below. Staff drafting the reports will work closely with the entities responsible for the background research and resource assessments to incorporate relevant referrals into each report. Staff will also develop contacts with experts in policy, economics, health communications, and other relevant fields to assist with understanding relevant policy options.

The State is reserving approximately \$120,000 of the grant funding (plus the cost of benefits) to hire two new staff to conduct research associated with the Exchange, to assist with scheduling and managing the Group’s planning activities (including the stakeholder engagement activities described below), and to coordinate between consultants and existing staff within the engaged State agencies. The

State plans to use \$65,000 of the grant funding (plus the cost of benefits) to hire a new Exchange Project Coordinator within the Governor's office that will facilitate and coordinate the Illinois Health Insurance Exchange Project activities and responsibilities. Finally, the State is reserving \$5,000 for expenses associated with travel of existing staff to Insurance Exchange-related briefings, workshops, and other informational and collaborative planning sessions and conferences.

**D. Plan for Stakeholder Involvement.**

The Group will be responsible for conducting stakeholder engagement activities, beginning with an initial process for key stakeholders to commit to participate as a community partner in the planning and feedback process with the State. Stakeholder engagement activities will include public hearings regarding health care reform (including the Insurance Exchange), required as part of the Executive Order to establish the Council. This grant will also be used to conduct more targeted meetings, field hearings around the State, interactive webinars, and roundtables to present the State's evolving plan of action on the Insurance Exchange and to solicit feedback from stakeholders. The goal of these activities is to ensure that State leaders understand and consider the needs and concerns of a diverse array of perspectives and opinions on the State's plan of action. All activities will be recorded and available to the public through the Governor and Department's Health Care Reform Implementation websites. These activities will form the basis for future state action regarding the development of a state-based exchange. Relevant stakeholders are likely to include:

- Consumer and patient representatives;
- Health Insurers;
- Business leaders;
- Employers;
- Labor unions and other employee representatives;

- Institutional investors;
- Health care providers (including physicians, nurses and other allied health professionals);
- Insurance agents and brokers;
- Economists, academics, and other experts; and
- Health communication specialists.

The State plans to use \$25,000 in grant funding to finance the cost of stakeholder engagement activities, including staff travel, supplies and marketing.

#### **E. Options for Enabling Legislation, Exchange Governance, and Financing.**

The Group will develop recommendations for and a draft of legislation to establish the Insurance Exchange, consistent with a model law currently being developed by the National Association of Insurance Commissioners (NAIC). As part of the legislative planning, the Group will consider and provide recommendations on several fundamental elements for the Insurance Exchange by Governor Quinn's initial December 31, 2010, deadline. First, the Group will establish a mission statement and articulate a guiding vision for the Insurance Exchange. The Group will then establish and prioritize the main goals for the exchange. Second, the Group will develop consensus on a structure for the Insurance Exchange. This structure will integrate analysis of the following elements:

- Organizational location of the Insurance Exchange (*e.g.* Within an existing State department or agency, as a quasi-governmental entity/non-profit, or as part of a multi-state exchange);
- Purchasing authority and the extent of the oversight role relative to health plans sold through the Insurance Exchange;
- A combined individual and small group market insurance exchange or a separate insurance exchanges for these markets;
- A Basic Health Plan option;

- Processes for maintaining integration with other State and Federal programs;
- Appointment process for the Insurance Exchange leadership or board;
- Conflict of interest rules; and
- Mechanisms of accountability and transparency that should be mandated under the law.

Third, the Group will determine key milestones for achieving short and long-term goals for an Insurance Exchange. Fourth, the Group will determine the statutory and regulatory authorities necessary to establish and maintain an Insurance Exchange. This could include the authority to issue regulations, accept Federal grant dollars, and spending authority. Finally, the Group will determine a broad framework for the long-term financial sustainability (independent from Federal resources beginning in 2015) for the Insurance Exchange.

To the extent necessary, these considerations will be consolidated into draft legislation submitted by the Council to the Governor by December 31, 2010, for introduction during Illinois' Spring 2011 Legislative Session.

#### **E. Six Year Operational Plan for the Illinois Insurance Exchange.**

As the Group reaches appropriate consensus on issues, work on those issues will transition into more targeted planning discussions for the Insurance Exchange. These elements include the following:

- *Core administrative functions/Business operations and procedures*, including eligibility determinations -- particularly as it relates to a single interface for Medicaid and exchange subsidies, plan qualification, plan bidding, application of quality rating systems and rate justification, administration of premium credits and cost-sharing assistance, risk adjustment and selection issues, range of benefit options, and a method for communicating with employers regarding changes to employee coverage;

- *Program Integration*, including the State's plan for integrating eligibility and enrollment systems for public health care programs like Medicaid, the Children's Health Insurance Program and others, and ensuring compliance with federal requirements such as automatic and streamlined enrollment;
- *Consumer assistance*, including the Navigator program, an Insurance Exchange consumer hotline, culturally and linguistically appropriate and accessible enrollment systems and access points, protocols for connecting consumers to DOI's Office of Consumer Health Insurance and the Uninsured Ombudsman, and methods for appropriate transparency and privacy of consumer and other information;
- *Communications and Outreach activities*, including consensus regarding the role of insurance agents and brokers (including All Kids enrollment agents), innovative outreach efforts that target specific groups of uninsured, and a strategy for consumer research and marketing;
- *Technical infrastructure*, including an outline of the technical infrastructure necessary to support the functions of the Insurance Exchange, interoperability with other key eligibility and enrollment systems, and interoperability with other reporting systems -- such as premium rate review, medical loss ratio, health information technology, etc.;
- *Financial accountability*, including developing accounting and auditing controls, mechanisms of transparency to the public, procedures to facilitate reporting to the Secretary, and a long-term plan for financial sustainability; and
- *Additional legislative or regulatory authority*, including any new legislation that must be enacted to eliminate ambiguity between federal and State laws, or that is necessary to permit the Insurance Exchange to function.

The Group will develop a detailed strategic and business plan, and a six-year timeline for development and implementation of all key aspects of the Insurance Exchange that reflects the recommendations of the Council. In addition, the Group will identify the lead Departments, agencies, and staff to oversee each aspect of the Insurance Exchange before and after its establishment. The strategic and business plan will also include a proposed staff structure with employee responsibilities for the Insurance Exchange. Finally, the Group will consider and incorporate options for non-essential but desirable functions of the Insurance Exchange. These functions may include streamlined enrollment in other low-income programs available to Illinois residents or, for example, an innovative approach to accessing the online portal for individuals with disabilities.

Once the Group makes the necessary broad design decisions associated with each element of the Insurance Exchange, the State anticipates additional outside consultants will be necessary to design the technical aspects of the Insurance Exchange, such as IT infrastructure and interoperability, business operations, actuaries, and financial standards. Funding provided in subsequent implementation grants will be used to supplement these efforts.

## **Illinois Health Insurance Exchange Project Budget Narrative**

### **Estimated Total Budget**

To enable the State of Illinois to evaluate options and plan for the development and implementation of the Illinois Health Insurance Exchange, the State estimates a total cost of \$1,000,000. A break-down of the costs is below.

### **Personnel**

To coordinate, facilitate, and organize efforts of the Council, the Group, and all related matters, one individual in the Office of the Governor will be hired as the “Exchange Project Coordinator.” The State also intends to hire two additional research assistants to help coordinate and manage the Project, including conducting research and writing, and serving as liaison to the contractors conducting the background research, resources assessments, and the consultants assisting with the technical aspects associated with the IT infrastructure planning, business operations, and financial standards for the Insurance Exchange, providing administrative assistance as necessary, organizing meetings, printing materials, and booking venues. The total amount dedicated to personnel to cover these costs is \$262,598.50. A detailed spreadsheet is attached at the end of this narrative that itemizes Personnel and Benefit costs.

#### Salaries

The Exchange Project Coordinator will have a salary of \$65,000, and two new research assistants will have salaries of approximately \$59,208. For nine months of salary, that equals a total of \$146,259.

#### Benefits

The cost of benefits, including group insurance, social security, and retirement for the three additional staff is \$75,292.50. Additional information is available on the budget spreadsheet.

#### Equipment/Travel for New Staff

Additional average office costs for each employee is \$6,600, for a total of \$19,800. A detailed spreadsheet is attached at the end of this narrative that itemizes employee costs.

#### Travel for Existing Staff

The cost of expenses associated with travel of existing staff to Insurance Exchange-related briefings, workshops, and other informational and collaborative planning sessions and conferences hosted by relevant groups such as HHS, the National Governors Association, the National Association of Insurance Commissioners, and State Coverage Initiatives is approximately \$5,000.

## **Contractual Services**

### Background Research

While the State expects to be able to provide the vast majority of the information necessary to develop the formal background information discussed in the project narrative, the State plans to commission an entity, such as a local university or nonprofit organization, to compile the information into a formal document. The total estimated cost of this effort is \$60,000.

### Broad Resource Assessment

One or more contractors may be needed to complete the resource assessment. We anticipate having a final product within three to five months of completion of the procurement process. The cost is estimated to be \$225 per consultant per hour for 480 hours total (40 hour work week for three months), for a total of \$108,000 per consultant. We expect three full time consultants and one additional part-time consultant will be necessary to achieve the project's results and address our actuarial specifications. The total estimated cost of the resource assessments is \$351,731.50.

### Eligibility and Enrollment Business Operations Resource Assessment

Additional consulting services are necessary to provide the Insurance Exchange Planning Group an assessment of needs and facilitate consensus on enrollment, eligibility and verification processes for the newly eligible. In order to assist the State in the technical design aspects of the most time-consuming and complex elements of the Insurance Exchange (the eligibility, enrollment, and verification systems) the State is reserving \$316,917 in funding for these services. At a cost of about \$200 per hour, per consultant, this will provide the State with about 1,600 hours of consulting time, or three to four consultants for three months of design planning.

## **“Other” Category Spending**

### Stakeholder Engagement Activities

The State will conduct a series of Insurance Exchange-specific stakeholder outreach events, and estimates the cost of the events to be \$6,250 each. The total cost of conducting all four events is \$25,000, but additional funds will be needed to document, compile, and publish information and testimony received during events. This estimate is based on an evaluation of expenses for printed materials, newspaper notices, staff travel, rental of conference space and miscellaneous expenses (*i.e.* projectors, screens). The State intends to use public meeting space such as public libraries or universities, which may have nominal rental fees.

<b>Estimated Total Budget for the Illinois Health Insurance Exchange Project</b>						
<b>Personnel</b>						<b>Amount</b>
	Salaries					
		1 Exchange Grant Coordinator (\$65,000 salary for 9 months)				\$48,753
		2 research and project management assistants (\$59,208 salary for 9 months)				\$97,506
	Fringe Benefits					
		Social Security				\$1,050.75
		Retirement				\$41,616.75
		Group Insurance				\$32,625.00
	Equipment/Regular Travel for new staff					
		Telecom, Computers, Travel etc.				\$19,800.00
	Travel for Existing State Staff					
		Exchange-related workshops, conferences, training sessions				\$5,000
					Subtotal	\$246,351.50
<b>Contractual Services</b>						
	Background/Baseline Research					
		Compilation of health insurance coverage facts in IL				\$60,000
	Broad Resource Assessment					
		2 consultants over 3 months				\$351,731.50
	Eligibility/Enrollment/Business Operations Resource Assessment					
		3-4 consultants over 3 months				\$316,917.00
					Subtotal	\$728,649
<b>"Other" Costs</b>						
	Stakeholder Engagement Activities					
		Costs for Four events: Travel, notification, and print materials				\$25,000.00
					Subtotal	\$25,000.00
<b>TOTAL BUDGET</b>						<b>\$1,000,000.00</b>

<b>Estimated Quarterly Budget for the Illinois Health Insurance Exchange Project</b>			
<b>First Quarter (October through December 2010)</b>			
	Personnel	\$1,250.00	
	Contractual Services	\$60,000.00	
	Other Costs	\$12,500.00	
		Subtotal	\$73,750.00
<b>Second Quarter (January through March 2011)</b>			
	Personnel	\$81,700.50	
	Contractual Services	\$401,189.10	
	Other Costs	\$6,250.00	
		Subtotal	\$489,139.60
<b>Third Quarter (April through June 2011)</b>			
	Personnel	\$81,700.50	
	Contractual Services	\$267,459.40	
	Other Costs	\$6,250.00	
		Subtotal	\$355,409.90
<b>Fourth Quarter (July through September 2011)</b>			
	Personnel	\$81,700.50	
	Contractual Services	\$0.00	
	Other Costs	\$0.00	
		Subtotal	\$81,700.50
		<b>TOTAL</b>	<b>\$1,000,000.00</b>

**FY11 INSURANCE EXCHANGE POSITION ESTIMATOR**

Title	Monthly Rate	Salary Rate	Retirement	Social Security	Group Insurance	PS& R Total
			0.30253	0.0765		
Executive I	\$ 4,934	\$ 59,208	\$ 17,912	\$ 4,529	\$ 14,500	\$ 96,150
Executive I	\$ 4,934	\$ 59,208	\$ 17,912	\$ 4,529	\$ 14,500	\$ 96,150
SPSA	\$ 5,417	\$ 65,000	\$ 19,664	\$ 4,973	\$ 14,500	\$ 104,137
<b>2</b>	<b>\$ 15,285</b>	<b>\$ 183,416</b>	<b>\$ 55,489</b>	<b>\$ 14,031</b>	<b>\$ 43,500</b>	<b>\$ 296,436</b>

Salaries are based on the Step 4 for AFSCME, and AVG of range for MC

**Average Additional Costs/Per Employee**

Please note that Travel will be adjusted per title (for example an office associate will have \$0.00 for travel.)

		Based on HC	Other	NEW other Ops Total
1200-Contractual	\$ 1,000.00	\$ 3,000.00		\$ 3,000.00
1290-Travel	\$ 1,500.00	\$ 4,500.00		\$ 4,500.00
1300-Commodities	\$ 500.00	\$ 1,500.00		\$ 1,500.00
1500-Equipment	\$ 1,000.00	\$ 3,000.00		\$ 3,000.00
1600-EDP	\$ 2,000.00	\$ 6,000.00		\$ 6,000.00
1700-Telecom	\$ 600.00	\$ 1,800.00		\$ 1,800.00
	\$ 6,600.00	\$ 19,800.00	\$ -	\$ 19,800.00

<b>Total \$</b>
<b>\$ 316,236</b>

**ILLINOIS HEALTH INSURANCE EXCHANGE PROJECT TIMELINE**

<b>ACTIVITY</b>	<b>PRIMARY ACTIVITY IDENTIFIER</b>
<b><u>September 2010</u></b>	
Organization of Exchange Planning Subcommittee of Governor's Health Reform Implementation Task Force	C
First stakeholder meeting on Health Reform Implementation	D
Begin process of hiring new staff	C
Launch Illinois Health Reform Implementation Website	D
<b><u>October 2010</u></b>	
Identify partner and appropriate business relationship for partner to organize and finalize the background research	A
Submission of draft RFPs to State Procurement Organization (SPO) <ul style="list-style-type: none"> <li>• Consultant(s) for broad resource assessment</li> <li>• Consultant(s) for eligibility/enrollment business operations resource assessment</li> </ul>	A, B
Begin drafting briefs on key issues	C, E
Begin discussion on potential Insurance Exchange structure and organization	E, F
Begin discussion on potential eligibility, enrollment, verification and certification	F
Second and third stakeholder meetings on Health Reform Implementation	D
Establish a plan for stakeholder engagement for Insurance Exchange-specific activities	D
<b><u>November 2010</u></b>	
Begin discussion on specific statutory and regulatory authority needed to establish and maintain an Insurance Exchange	E
First round of Insurance Exchange-specific stakeholder engagement activities	D
Fourth stakeholder meeting on Health Reform Implementation	D
<b><u>December 2010</u></b>	
Begin discussion of financial sustainability for an Insurance Exchange	E, F
Second round of Insurance Exchange-specific stakeholder engagement activities	D
Exchange group recommends legislation to be addressed in Spring 2011 legislative session	E
Select consultant(s) for work on both resource assessments	B, F
<b><u>January 2011</u></b>	
Consultants begin work on resource assessments	B, F
Final background report on the status of health insurance coverage in Illinois	A
New staff will be hired and begin work supporting the Insurance Exchange Planning Group	B
First quarterly report to HHS	
<b><u>February 2011</u></b>	
Resource assessment consultant(s) present interim report	B, F

*Illinois Department of Insurance  
State Planning and Establishment Grants for the Affordable Care Act's Exchanges (CFDA: 93525)*

Third round of Insurance Exchange-specific stakeholder engagement activities	D
Introduction of legislation	E
<b><u>March 2011</u></b>	
Begin discussion of development of RFP for the second phase of planning for eligibility, enrollment and certification of coverage	F
<b><u>April 2011</u></b>	
Resource assessment consultant(s) present interim reports	B, F
Fourth round of Insurance Exchange-specific stakeholder engagement activities	D
Begin discussion of development of RFP for detailed planning for Exchange business processes, IT, and financial standards	F
Second quarterly report to HHS	
<b><u>May 2011</u></b>	
Submission to SPO of RFP for detailed planning for eligibility, enrollment and certification of coverage	F
Final reports of design planning consultant(s)	B,F
<b><u>June 2011</u></b>	
Legislation passed	D
Begin discussion on processes for selecting leadership for Exchange	F
Submission to SPO of RFP for detailed planning for Exchange business processes, IT, and financial standards	F
Develop draft final six-year operational plan	F
Fifth round of Insurance Exchange-specific stakeholder engagement activities	D
<b><u>July 2011</u></b>	
Planning group recommends six-year operational plan	F
Third quarterly report to HHS	
<b><u>August 2011</u></b>	
State submits final Federal Financial Report to the Department of HHS	
State releases RFP for detailed planning for eligibility, enrollment and certification of coverage	F
<b><u>September 2011</u></b>	
State releases RFP for detailed planning for Exchange business processes, IT, and financial standards	F
Final report to HHS	

## **Illinois Health Insurance Exchange Project Work Plan**

### **I. The Goals of the Illinois Health Insurance Exchange Project.**

The goals of the Illinois Health Insurance Exchange Project are:

- 1) To understand and contemplate all reasonable options for an American Health Benefits Exchange (“Insurance Exchange”) in Illinois. This includes understanding the following:
  - a. The current status of health coverage in Illinois;
  - b. The resources necessary to establish and maintain an Insurance Exchange;
  - c. The legal and policy considerations associated with pursuing different structural elements of an Insurance Exchange; and,
  - d. The needs and expectations of different stakeholders associated with the implementation of an Insurance Exchange.
- 2) To establish a proposed structure and timeline for implementation of an Insurance Exchange in Illinois that reflects the recommendations of the Health Reform Implementation Council. This will require the following:
  - a. A formal planning structure;
  - b. Planning milestones;
  - c. A final report outlining the state’s Insurance Exchange Implementation Plan.

### **II. Deliverables of the Illinois Health Insurance Exchange Project.**

Deliverables for the Illinois Health Insurance Exchange project include:

- 1) Recommendations for and an initial draft of legislation to establish an Insurance Exchange in Illinois;
- 2) A report or reports that include a comprehensive background report and resource assessment for establishing an Insurance Exchange in Illinois;
- 3) A series of Illinois-specific Insurance Exchange reports to serve as guideposts for potential legislation and the six-year planning discussions;

- 4) RFPs for detailed planning for eligibility, enrollment and certification and for Insurance Exchange business processes; and
- 5) A final comprehensive report for the U.S. Department of Health and Human Services outlining a six-year plan for establishing and maintaining an Insurance Exchange in Illinois.

### **III. Preliminary Actions for Planning to Establish an American Health Benefit Exchange.**

On July 30, 2010, Governor Quinn issued an Executive Order to establish the Illinois Health Reform Implementation Council (the "Council"). Among other things, the Council is responsible for making recommendations regarding the opportunities and responsibilities of the State to "establish a health insurance exchange and related consumer protection reforms." This Council serves as an important infrastructure within which the state can initiate proper planning for the Insurance Exchange, bringing together all the applicable State departments and agencies, under the direction of the Governor. The Governor designated his senior health policy advisor to chair the Council, with the Departments of Insurance and Healthcare and Family Services (Medicaid agency) serving as vice-chairs.

### **IV. Management of the Illinois Health Insurance Exchange Project.**

#### Project Director

The Governor's senior health policy advisor will serve as the Project Director. The Project Director will take responsibility for guiding the planning and establishment process for the Insurance Exchange Project until the State is able to hire a new Exchange Project Coordinator. The Project Director will oversee the background research, ensure a Request for Proposals is drafted, finalized, and promulgated for the resource assessment, make certain stakeholder engagement activities occur, and assist in delegating responsibilities related to drafting the Insurance Exchange Planning reports to align with the schedule of meetings for the Insurance Exchange Planning Group. Once the Exchange Project Coordinator is hired, the Project Director will resume his full-time role leading the overall efforts of the Council, and focus on assisting the legislature in passing authorizing legislation for the Insurance Exchange.

#### Exchange Project Coordinator, Office of the Governor

The Exchange Project Coordinator will assume the majority of the responsibilities associated with the logistics, coordination, contracting, outreach, conference and report publication. The Project Director will supervise the Exchange Project Coordinator and coordinate Insurance Exchange activities with the Implementation Council and all other state health reform implementation activities. In addition to the activities described above, the Coordinator will develop, publish, arrange and distribute a schedule and agendas for Group meetings, facilitate and monitor the resource assessments, record and report on progress made on key decisions points, ensure stakeholder engagement activities are transparent and accessible to the public, facilitate the development of the Request for Proposals for technical planning activities, and ensure full and timely delivery of a final product to HHS detailing the state's six-year operational plan.

#### Research Assistants

The two new research assistants will work with the Exchange Project Coordinator, and be responsible for helping to coordinate and manage the Project. This includes conducting research and writing, serving as liaison to the contractors conducting the background research, resources assessments, and the consultants assisting with the technical aspects associated with the IT infrastructure planning, business operations and financial standards for the Insurance Exchange, providing administrative assistance as necessary, organizing meetings, printing materials, and booking venues.

Health Policy Analyst

The Health Policy Analyst will assist the Project Director in leading the overall efforts of the Council. This individual will facilitate timely execution of the Council website, liaison between the Governor's office and Council members, and will assist with the research associated with the background studies, resource assessments, and the Council recommendations. In addition, this individual will organize Council meetings, and ensure that appropriate stakeholder groups attend Council meetings to maximize participation.

Senior Medical Policy Development Specialist, IL Department of Healthcare and Family Services

The Senior Medical Policy Development Specialist will lead the health reform implementation efforts within the Department of Healthcare and Family Services (HFS) providing support to the Insurance Exchange Planning Group. This individual will be responsible for providing all the necessary expertise related to public health care programs under the purview of HFS and will assist with the research associated with the background studies, resource assessments, and Insurance Exchange Planning reports.

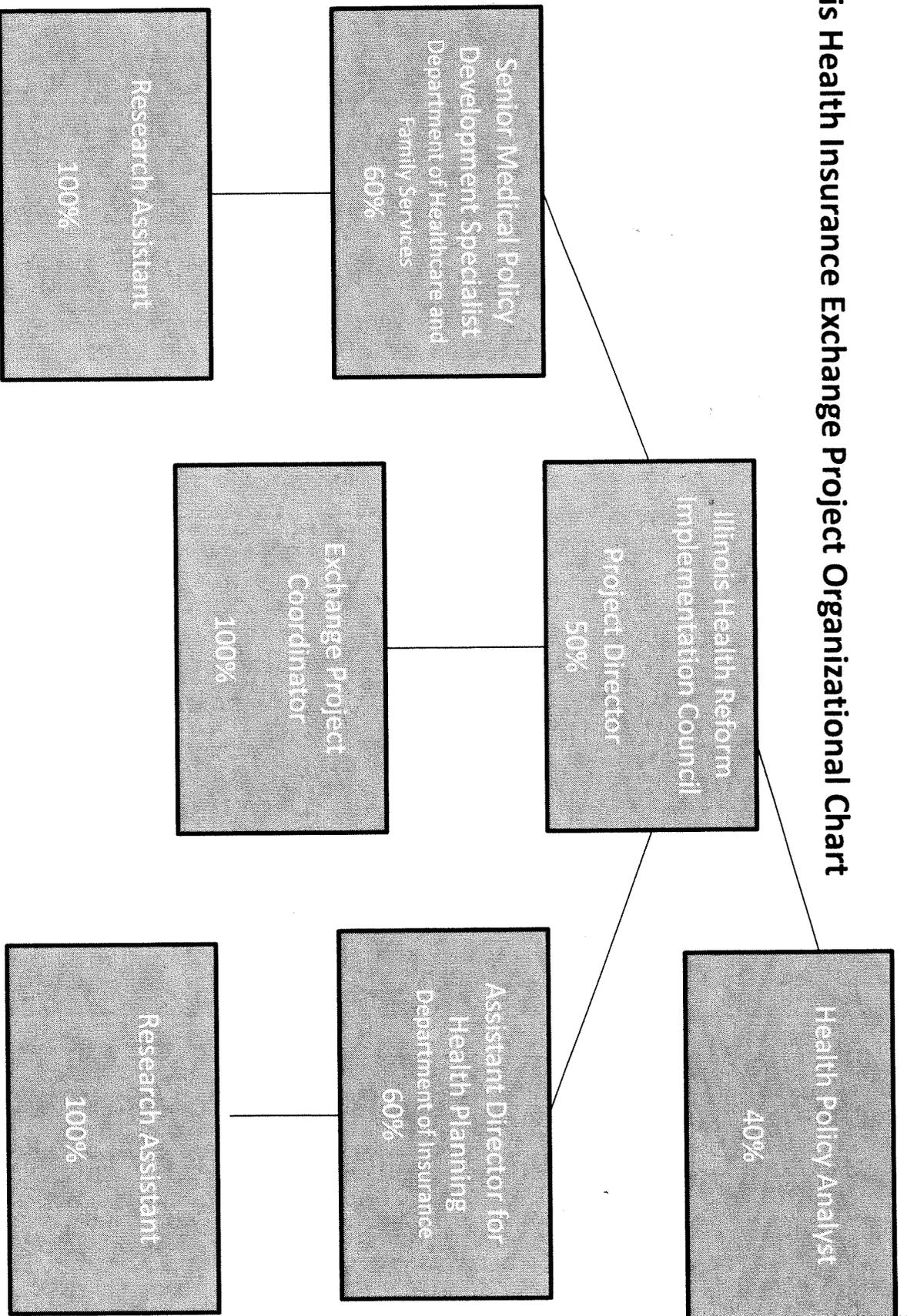
Assistant Director for Health Planning, IL Department of Insurance

The Assistant Director for Health Planning will lead health reform implementation for the Department of Insurance providing support to the Insurance Exchange Planning Group. This individual will be responsible for providing all the necessary expertise related to the private health insurance marketplace and will background studies, resource assessments, and Insurance Exchange Planning reports. This individual will also work with the Project Director and the Exchange Project Coordinator to make certain all the necessary reporting requirements associated with the *State Planning and Establishment Grants for the Affordable Care Act's Exchanges* are met.

**V. Time period for the Illinois Health Insurance Exchange Project.**

September 30, 2010 – September 30, 2011.

# Illinois Health Insurance Exchange Project Organizational Chart



Illinois Department of Insurance

State Planning and Establishment Grants for the Affordable Care Act's Exchanges (CFDA: 93525)



STATE OF ILLINOIS  
**OFFICE OF THE GOVERNOR**  
SPRINGFIELD, ILLINOIS 62706

**Pat Quinn**  
GOVERNOR

August 30, 2010

Kathleen Sebelius, Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

RE: *State Planning and Establishment Grants for the Affordable Care Act's Exchanges, CFDA: 93.525.*

Dear Secretary Sebelius:

Enclosed is our application for \$1 million to assist the State of Illinois to establish a firm plan and timeline for implementing and maintaining an "American Health Care Benefit Exchange" ("Exchange") in Illinois.

I strongly endorse the Illinois Affordable Health Care Insurance Exchange project. Illinoisans are struggling to find health insurance coverage that meets their needs at a price they can afford. Many of our state residents have no choice today, as their current health status disqualifies them from any health insurance coverage at all. The act of shopping for and purchasing health insurance coverage is fraught with language barriers, misinformation, and confusing policy coverage terms and limitations. These barriers define an urgent need for an Insurance Exchange in Illinois to help individuals, families, and small businesses navigate the insurance marketplace and secure affordable health insurance coverage.

Illinois' proposal for the planning grant will assure that we acquire the appropriate data and expertise necessary to plan for, establish, and maintain a viable and sustainable Insurance Exchange in Illinois. I designate the Illinois Department of Insurance to receive and expend these federal funds on behalf of the state. Director Michael McRaith will assure these funds are expended according to the plan and all appropriate federal requirements.

I have, through Executive Order 20-12, established the Illinois National Health Reform Implementation Council. The Council will engage appropriate state departments, advocates and stakeholders in a series of public meetings and recommend to me by December 31, legislation, rules, and policy changes necessary to achieve maximum value of health reform for Illinois residents. As the grant application explains, The Insurance Exchange and related reforms are essential elements of the Council's activities. These planning grant resources will enable Illinois to begin the process to fully realize national health insurance reform benefits.

If you have any further questions, please contact my senior health policy advisor and state health reform lead, Michael Gelder, 312-814-2121, or Michael McRaith, Director of the Illinois Department of Insurance at 312-814-9200.

Sincerely,

*Pat Quinn*  
Pat Quinn  
Governor

### Statement of Collaboration

We the undersigned, representing the key state agencies partnering to implement the *Illinois Health Insurance Exchange Project*, agree that this application represents a collaborative effort. If Illinois is awarded grant funding to launch this project, we agree that the project will be coordinated across our key Departments and other key agencies as necessary. As the lead grant applicant, the Illinois Department of Insurance will be responsible for meeting all mandatory review and reporting requirements associated with CFDA: 93-525.

#### Lead Grant Applicant

Department: Illinois Department of Insurance  
Address: 100 W. Randolph Street, Suite 9-301  
Chicago, Illinois 60601

Key Contact Name and Title: Kate Gross, Assistant Director for Health Planning  
E-mail: [Kate.Gross@illinois.gov](mailto:Kate.Gross@illinois.gov)  
Phone: 312/814-1236  
Fax: 312/814-5416

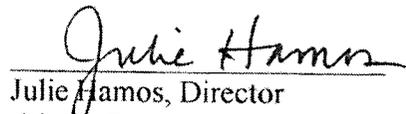
#### Collaborating State Department

Department: Illinois Department of Healthcare and Family Services  
Address: 401 South Clinton Street  
Chicago, Illinois 60607

Key Contact Name and Title: Michael Koetting,  
Senior Medical Policy Development Specialist

E-mail: [Michael.Koetting@illinois.gov](mailto:Michael.Koetting@illinois.gov)  
Phone: 312/793-2063  
Fax: 312/793-0269

  
Mike McRaith, Director  
Illinois Department of Insurance

  
Julie Hamos, Director  
Illinois Department of Healthcare and Family Services

### Application Attestation

Check as many items that apply, as appropriate. States are not required to accomplish all activities nor should this list be considered exhaustive.

1. With the Planning and Establishment Grant, the State intends to:

- Determine needed and available staff and hire key staff
- Determine resource needs
- Develop a work plan and timeline for first year activities
- Determine needed statutory, regulatory, and other administrative changes (including statutory changes that may be necessary to set up the governance structure, facilitate health plan contracting, consumer outreach, etc.)
- Conduct an initial assessment of IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions
- Plan the coordination of eligibility and enrollment across Medicaid, CHIP, and the Exchanges
- Provide public notice and other stakeholder engagement activities
- Develop a budget justification and implementation plan
- Develop performance metrics and planned milestones
- Plan for customer services processes, including a call center

2. The State attests that it has submitted a budget narrative and justification that fully supports the activities the State intends to pursue with Planning and Establishment Grant funds:

YES  NO \_\_\_\_\_

3. The State has adhered to the required Format, Standard Form (SF), and Content Requirements contained in Section IV.

YES  NO \_\_\_\_\_

4. The State commits to submitting a draft detailed implementation plan with the final report within 90 days of the end of the project period.

YES  NO \_\_\_\_\_



**FILED**  
INDEX DEPARTMENT  
JUL 30 2010  
IN THE OFFICE OF  
SECRETARY OF STATE

**EXECUTIVE ORDER**

**10-12**

**EXECUTIVE ORDER CREATING THE ILLINOIS HEALTH REFORM  
IMPLEMENTATION COUNCIL**

**WHEREAS**, 1.8 million Illinoisans do not have private or public health insurance coverage; and

**WHEREAS**, the *Patient Protection and Affordable Care Act* was enacted by the Congress of the United States and signed into law by the President of the United States on March 23, 2010 and the *Health Care and Education Reconciliation Act* (hereinafter collectively referred to as the "Affordable Care Act") was enacted by the Congress of the United States and signed into law by the President of the United States on March 30, 2010; and

**WHEREAS**, the Affordable Care Act relies on state governments to implement comprehensive health insurance reforms that will improve the accountability of health insurance companies, lower health care costs, guarantee more health care choices, and enhance the quality of health care for all Americans; and

**WHEREAS**, one objective of the Affordable Care Act is to provide affordable health care coverage for families; and

**WHEREAS**, another objective of the Affordable Care Act is to stabilize the cost of health care coverage provided by employers to employees; and

**WHEREAS**, the Affordable Care Act strengthens Medicare benefits by lowering prescription drug costs for those in the Part D 'Donut Hole,' enhancing chronic care, and offering free preventive care; and

**WHEREAS**, the Affordable Care Act will impact families and children, individuals, people with disabilities, seniors, young adults, and small and large businesses throughout Illinois; and

**WHEREAS**, effective coordination among State of Illinois executive branch agencies and the General Assembly regarding implementation of the Affordable Care Act will ensure that the people of Illinois receive immediate and full access to all health care coverage, insurance protections, expanded access to care and federal subsidies to ensure affordability; and

**THEREFORE**, I, Pat Quinn, Governor of the State of Illinois, pursuant to the supreme executive authority vested in me by Article V of the Illinois Constitution, do hereby order as follows:

**I. CREATION**

There is hereby created The Illinois Health Care Reform Implementation Council (hereinafter "Council") having the duties and powers set forth herein. Members of the Council shall be appointed by the Governor and shall include the following individuals or their designees:

- a. A designee of the Office of the Governor
- b. Director of the Department of Healthcare and Family Services
- c. Director of the Department of Insurance
- d. Director of the Department of Public Health
- e. Director of the Department on Aging
- f. Secretary of the Department of Human Services
- g. Director of the Office of Health Information Technology
- h. Director of Central Management Services
- i. Director of the Governor's Office of Management and Budget
- j. Director of the Department of Labor
- k. Secretary of the Department of Financial and Professional Regulation

**FILED**  
INDEX DEPARTMENT  
JUL 30 2010  
IN THE OFFICE OF  
SECRETARY OF STATE

The designee for the Office of Governor shall serve as the Chair of the Council and the Directors of the Department of Insurance and the Department of Healthcare and Family Services shall serve as the Vice-Chairs. Administrative support to the Council shall be provided by the agencies appointed to the Council. The Council may access donations of labor, services, or other things of value from any public or private agency or person.

## II. PURPOSE

The purpose of the Council is to recommend to the Governor what changes should be initially implemented to ensure the State is improving the health of residents by increasing access to health care, reducing disparities, controlling costs, and improving the affordability, quality and effectiveness of health care consistent with the Affordable Care Act. The Council shall make recommendations on, but not be limited to, opportunities and responsibilities in the Affordable Care Act for states to:

- a. establish a health insurance exchange and related consumer protection reforms; and
- b. reform Medicaid service structures and enrollment systems; and
- c. develop an adequate workforce; and
- d. incentivize delivery systems to assure high quality health care and achieve desired outcomes; and
- e. identify federal grants, pilot programs, and other non-state funding sources to assist with implementation of the Affordable Care Act; and
- f. foster the widespread adoption of electronic medical records and participation in the Illinois Health Information Exchange.

## III. FUNCTION

- a. In carrying out responsibilities, the Council shall hold public meetings in regions across the State for the purpose of informing the public about the opportunities and responsibilities under the Affordable Care Act, soliciting recommendations for the implementation of the six areas listed above, and reporting on those recommendations. Members of the General Assembly shall be invited to attend and participate in each informational session.

- b. On or before December 31, 2010, the Council shall make initial recommendations to the Governor.
- c. Following December 31, 2010, the Council shall periodically report to the Governor on the implementation of the recommendations developed to assure maximum benefit to Illinois residents pursuant to the Affordable Care Act.

**IV. TRANSPARENCY**

In addition to any other applicable laws, rules, or regulations, all aspects of The Illinois Health Care Reform Implementation Council shall be governed by the Freedom of Information Act, 5 ILCS 140/1 *et. seq.*, and the Open Meetings Act, 5 ILCS 120/1 *et seq.* This section shall not be construed so as to preclude other statutes from applying to the Council or its activities.

**V. SAVINGS CLAUSE**

Nothing in this Executive Order shall be construed to contravene any state or federal law.

**VI. SEVERABILITY**

If any provision of this Executive Order is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

**VII. EFFECTIVE DATE**

This Executive Order shall be effective upon filing with the Secretary of State.

  
\_\_\_\_\_  
Pat Quinn  
Governor

Issued by the Governor: July 30, 2010  
Filed with the Secretary of State: July 30, 2010

**FILED**  
INDEX DEPARTMENT  
JUL 30 2010  
IN THE OFFICE OF  
SECRETARY OF STATE