



Idaho Department of Insurance Health Insurance Exchange Final Report

October 10, 2012



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With you today...

Project Team

- Andy Gottschalk – Partner, Project Partner
- Sandy McBride – Partner, Exchange Cost Modeling Team Lead
- Robert Mitchell – Director, Project Manager



Who we are - A leader in the Public Sector

Serving 2,300 Government Clients for 80 Years

- Serving one-third of the nation's "billion dollar entities"
- 3,000 professionals focused on serving the public sector
- Long-term, deep commitment to state and local government

KPMG LLP US
• 87 offices
• \$5.4 billion in revenues
• 23,000 professionals



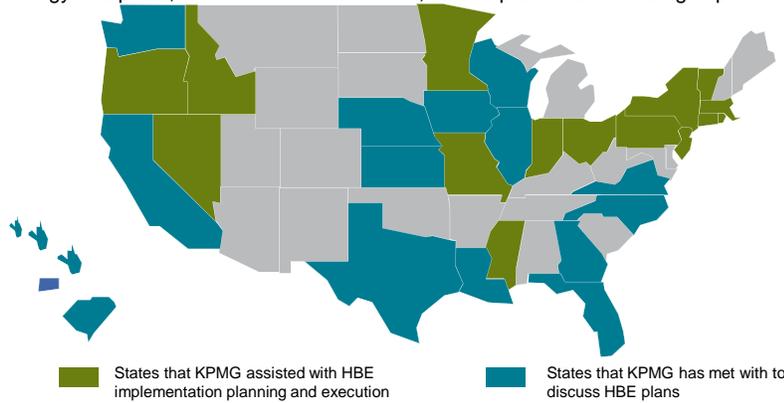
How Do We Differ?

- Business and IT architecture consulting services to state and local governments, with a particular emphasis on HHS organizations
- Serving 15 states that are currently moving forward with implementation of a Health Insurance Exchange/Integrated Eligibility solution
- Serving government clients in the understanding of human service program rules and compliance requirements
- Substantial experience with Enterprise Architecture and large program roadmap planning
- KPMG's Health and Human Services Architecture Toolkit

KPMG is one of the most active State HBE consulting firms

KPMG supports 15 states in their HBE efforts and is in discussions to assist others.

KPMG is not a System Integrator or product vendor – we advise states objectively on strategy and plans, software and SI selection, and help with PMQA during implementation.



Our engagement with individual states and CMS/CCIIO provides KPMG with insights of the latest emerging trends and evolving models that are being adopted across the country

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**Project Objective
and Scope**

Objective and scope

Objective

Assist DOI assess the various health insurance exchange options and how they might affect the State of Idaho.

Scope

KPMG assisted DOI in the following areas:

- Developing this feasibility study to assist DOI in making an informed decision on selecting which of the three Exchange models or a combination thereof
- Providing an overview of the benefits and constraints
- Providing cost models for each Exchange model based on prior experience with Exchange architecture blueprints, roadmaps, and costed implementation plans
- Assisting with assumptions pertaining to the requirements and contents of a Federally-facilitated Exchange



**Current Project
Status**

Project Status

- Conducted project kickoff
- KPMG provided the initial data request to the State
 - The State responded with numerous data sources and artifacts.
- Convened two data sourcing/assumptions calls with the State
- Conducted a ½ day working session with the State to confirm assumptions and review outputs
- Assessed potential impacts to Idaho's insurance marketplace
- Developed assumptions for the three Exchange option and created cost models
- Aligned the KPMG Exchange Reference Architecture (KERA) to Idaho's HIE Architecture
- Developed this Working Group presentation and documenting the benefits/advantages of each model and the potential impacts to the Idaho marketplace.
 - Providing additional cost model artifacts (estimating assumptions and details) in a separate appendix

KPMG assessed four Exchange options for Idaho for October 2013

- Option 1 – Develop a State Based Exchange (SBE)**
- Option 2 – Leverage the Federally Facilitated Exchange (FFE)**
- Option 3 – Leverage a Federal-State Hybrid/Partnership Exchange (Hybrid)**
- Option 4 – Initially Leverage the FFE or Hybrid Exchange and Transition to a SBE**



PPACA/HBE Landscape

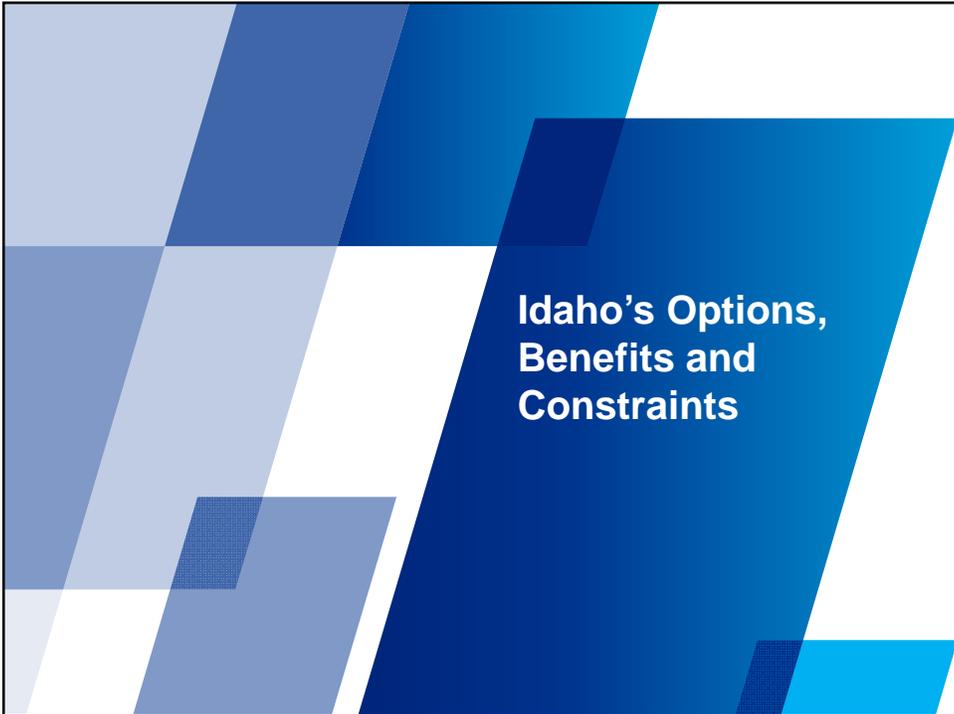
- Several states are moving forward with State Based Exchanges. For example:
 - CO, NV, CA, WA, CT, RI, VT, MD (among others)
 - Each has secured additional grant funding to move forward with their initiatives
 - Level 1 or 2 Exchange Establishment Grants (for HIX efforts)
 - Expedited Advance Planning Documents (EAPD) for the Medicaid/CHIP portions
 - Many have engaged a Systems Integrator (SI) and other vendors to help
 - Reuse of components and artifacts being advocated by CMS/CCIIO
- Other states are still planning and assessing their options
- Each state must declare its intentions via an Exchange Blueprint by 11/16/12
 - Select one of the three models
- Each Exchange option has potential costs for states
- Exchange implementation deadlines have not changed:
 - October 1, 2013
 - January 2014
 - Sustainable by January 2015

Reuse of other State Solutions - Today

- The amount of the Exchange Establishment Grants and EAPDs awarded to states vary based on the complexity of their systems and degree of reuse.
 - Existing system capabilities
 - Extent of outsourcing of key activities
 - Degree of integrated eligibility envisioned for other HHS programs
 - Not always an “apples to apples” comparison between states
- Grant/EAPD awards can have combined values of over one hundred million dollars
- All states that are currently building a SBE are totally immersed in that process
 - Very limited bandwidth to support other states beyond sharing artifacts
 - Nothing is really “reusable” from a systems implementation perspective due to the tight timeframes and associated federal reviews – no working solutions yet, just “work in process”
- Not currently practical to assume the ability to simply re-task another state’s solution to meet the deadlines
 - Dis-similar architectures and infrastructures
 - Staff capability mis-matches
- Qualified System Integrator resources are becoming scarce
 - Development/implementation costs moving up

Reuse of other State Solutions – Going forward

- After the October 2013 deadline, states that implemented a SBE will have more bandwidth to support other states beyond sharing artifacts
- Reusable systems implementation components from working solutions should be available to states choosing to transition to a SBE
 - Complete MAGI and other business rules
 - Host-able software services (eligibility, online shopping, plan management)
- Potential ability to re-task another state’s solution to support Idaho’s goals
 - “Proven” technology that supports other SBEs
 - Must address diverse architecture and infrastructure configurations
 - Staff may need training to support chosen configuration
- System Integrator resources will begin to free-up
- Development/implementation costs should stabilize



Idaho's Options, Benefits and Constraints

Idaho's Options

- Given the considerable risks and limited probability of success, we believe that is impractical for Idaho to consider building a SBE to meet the October 1, 2013 deadline:
 - Too many complex decisions are needed in a short time period (e.g., governance structure, enabling legislation, procurement considerations)
 - No way to create and propose a defensible State Based Exchange (SBE) Blueprint submission
 - Dwindling availability of qualified SI resources
- Therefore, for the October 1, 2013 deadline, Idaho can initially choose between two options:
 - Leverage the Federally Facilitated Exchange (FFE)
 - Employ the Hybrid Model (e.g., leverage the FFE and maintain control over plan management and/or customer outreach)
- Each option has certain benefits and constraints for Idaho to consider (described later)
- KPMG developed cost models for each of the 3 primary options plus a 4th scenario:
 - Leverage the Hybrid solution on a temporary basis and transition to a SBE at some point in the future
- The “transition to SBE” scenario lowers many of the system implementation risks, but still requires Idaho to determine which approach will be taken to determine Medicaid and CHIP eligibility (among other requirements).

State Requirements

The following activities will be required by HHS as part of a FFE or Hybrid Exchange operation:

- Interfacing with State agencies and databases to collect and/or verify information necessary to determine Medicaid, CHIP, and APTC eligibility, including:
 - State Medicaid and CHIP agency
 - State wage information collection agency
 - State unemployment benefits agency
- Communication of State thresholds and/or policies regarding:
 - FPL
 - Medicaid and CHIP eligibility rules
- State Medicaid system will have to be made MAGI compliant
- ACA requires that all applicants for Medicaid determined ineligible be screened for APTC eligibility
- Continued regulatory role of issuers and health plans
- Confirmation of issuer licensure and good legal standing to certify QHPs
- **Transmission and receipt of information in electronic format**

Option Benefits/Constraints Summary

Option #	Description	Benefits	Constraints
1	State Based (SBE)	<ul style="list-style-type: none"> • Idaho maintains control over its insurance marketplace • Idaho maintains control over subsidized insurance, Medicaid and CHIP eligibility determination • It is "Idaho's Exchange" • Opportunity to move to a single eligibility determination service with enhanced funding 	<ul style="list-style-type: none"> • Most expensive option • Limited chance of success by deadline • Highest implementation risk • Major project and associated risks • Reliant on limited SI resources • Potentially requires a new entity and multiple supporting FTEs and infrastructure investments • Required to be self-sustaining in 2015
2	Federally Facilitated Exchange (FFE)	<ul style="list-style-type: none"> • Idaho not responsible for successful implementation of FFE • Least expensive option • Less FTEs required • No new entity required • Idaho not required to make Exchange self-sustaining 	<ul style="list-style-type: none"> • Federal government has prominent role in Idaho's health insurance market • Idaho does not control subsidized insurance or initial MAGI Medicaid and MAGI CHIP eligibility screening (depending on approach) • Federal government controls insurance plans and customer service aspects of the Exchange • Potentially less plan choices for Idaho's citizens after the first year • Idaho still has costs and accountability • Moderate implementation risk

Option Benefits/Constraints Summary

Option #	Description	Benefits	Constraints
3	Hybrid Exchange	<ul style="list-style-type: none"> • Idaho not responsible for successful implementation of FFE • Idaho controls insurance plan management and customer service aspects of the Exchange • Moderate cost option • Limited FTEs required • Can be housed in an existing entity • Idaho not required to make Exchange self-sustaining 	<ul style="list-style-type: none"> • Requires some staff investment • Idaho does not control subsidized insurance or initial MAGI Medicaid and MAGI CHIP eligibility screening (depending on approach) • Federal government has a role in Idaho's health insurance market • Moderate implementation risk
4	Transition to SBE from Hybrid	<ul style="list-style-type: none"> • Idaho responsibilities and risks for successful implementation of initial Hybrid Exchange are limited – main responsibility lies with Federal government • Allows Exchange market technical solutions to stabilize prior to implementation of SBE • Increases potential re-usability of other state solutions • Less FTEs initially required • Initially a lower to moderate cost option • Funding options available through first year of operations (available through at least 2017) 	<ul style="list-style-type: none"> • Federal government initially has prominent role in Idaho's health insurance market and • Must eventually be self sustaining • Still requires a significant project effort to implement • Potentially requires a new entity • Will require FTE and technical infrastructure investments • Moderate implementation risk

Option Impact on Idaho's Current Insurance Market

Impact of Exchange Models on Idaho's Current Insurance Market

State Based Exchange

- Oversight and regulation can be tailored to specifics of Idaho market and remain consistent with the rest of the market outside of the Exchange
- Likely to allow for continuation of current, familiar payors
- Can leverage the roles of existing agencies to accomplish some Exchange tasks, though care should be taken to avoid conflict of interest
- Likely to allow for smoother transitions as members churn in and out of Medicaid, CHIP and private insurance
- Will be very difficult to devote the resources and be up and running in time
- Depending on governance structure of a State Exchange (centralized model vs. distributed model), the State may have significantly more up front costs associated with collecting and reviewing data related to risk adjustment
- Given current time lines and attestation requirements, there is significant schedule risk associated with implementing a State-based Exchange from a business and IT perspective

Impact of Exchange Models on Idaho's Current Insurance Market

Federal Exchange

- Self-sustaining by 2015 without as much effort by State
- Fewer compliance concerns since operating on the Federal Exchange
- Some input into regulations, however final decisions are retained by the Federal government
- Loss of control of regulations may cause rough transitions from current market oversight by State
- Doesn't leverage existing relationships with other State departments
- State still responsible for enrollment reconciliation, and investment in data interchanges to the Federal solution will be required
- Is not in agreement with stakeholder feedback, and may impair the State's ability to maintain a collaborative approach
- Gives up control over which payors will participate in the marketplace

Impact of Exchange Models on Idaho's Current Insurance Market

Federal-State Hybrid Option

- Gains some flexibility and input while leveraging the economies of scale of Federal Exchange
- Allows for the State to retain control while mitigating risk of meeting Federal deadlines
- Allows more oversight of plan qualification, consumer assistance or both

Federal reinsurance and risk adjustment

- Under the SBE model, States can choose to leverage the Federal reinsurance and risk adjustment procedures or operate themselves
- Under the FFE or Hybrid model, States must leverage the Federal risk adjustment procedures
- May be difficult to deliver transparency to the marketplace when Federal processes are unknown or unclear
- Reinsurance is an option in all three models

Exchange Cost Model Analysis

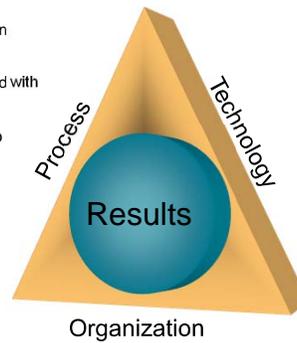
Estimating Model supports all dimensions of Business Improvement Initiatives

Guiding Principles:

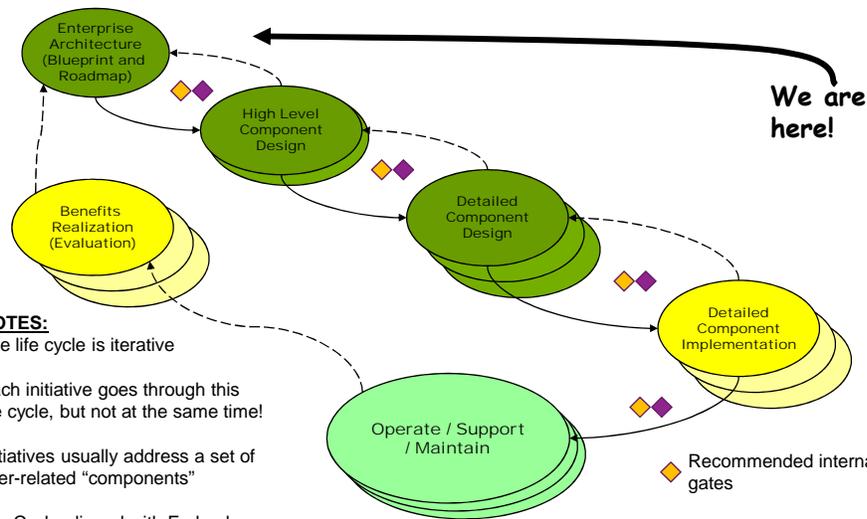
- Business improvement results are achieved through alignment of people, process (practices) and technology.
- Enterprise Architecture ensures alignment and integration
 - Business Architecture is the unifying design discipline to ensure business design aligns with strategy.
 - IT Architecture is the unifying design discipline to ensure IT solutions are aligned with business, integrated, and life cycle cost optimized.
- Effective Transformation requires deft choreography of and between top down and bottom up activities.

Transformation scope includes:

- New legislation, regulation, policy.
- New program and service delivery strategies.
- New business processes, practices, behaviors.
- New roles, skills.
- Job re-design, organization re-design.
- New information, systems, technology required to support the improvements.
- New processes and procedures required to use the new I&T solutions.



Idaho is at the beginning stage of a highly iterative transformation process to stand up a Health Benefits Exchange



NOTES:

The life cycle is iterative

Each initiative goes through this life cycle, but not at the same time!

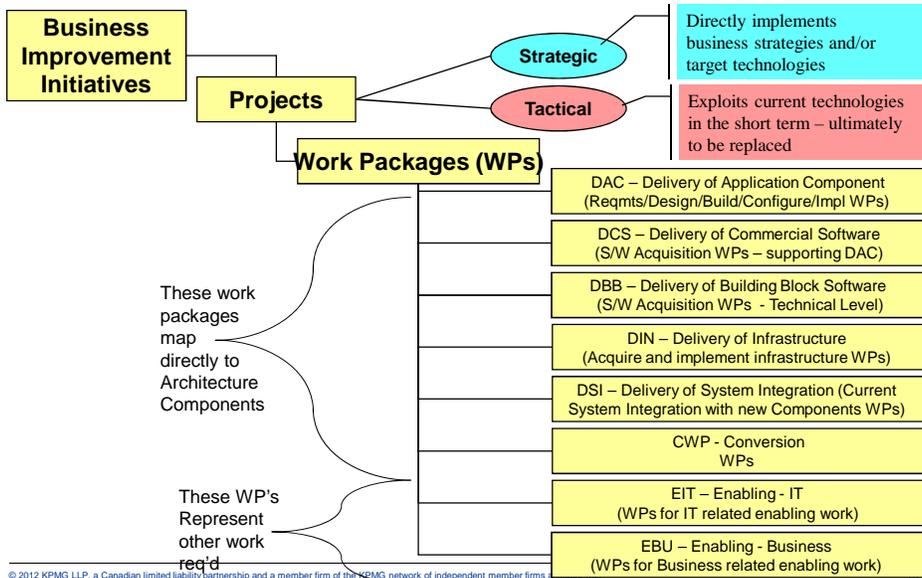
Initiatives usually address a set of inter-related "components"

Life Cycle aligned with Federal Guidance

◊ Recommended internal gates

◊ Federal Gates and Reviews

Structure of Cost Model – Initiatives, Projects & Work Packages ensure a comprehensive roadmap and plan, and provide sound Mgmt Structure



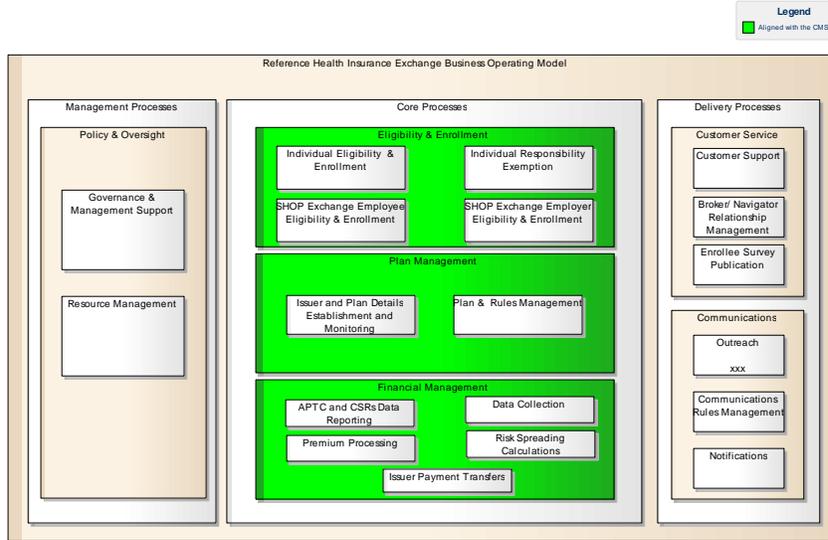
Planning Assumptions

The team developed the following assumptions to facilitate cost model development:

- Business Model based on standard reference business architecture with Idaho input
- Technology Architecture based on standard reference IT architecture with Idaho input
- Internal and external rate assumptions based on KPMG experience and Idaho input
- Expected users, transaction volumes, annual growth based on Idaho input
- Expected service level requirements based on KPMG experience
- Representative hardware and software product costs based on KPMG experience
- Estimated level of complexity of systems, business rules, data based on KPMG experience
- Degree of re-use of software and existing systems based on KPMG experience

KPMG's experience is derived directly from other HBE engagements in most cases. Our engagements with individual states and CMS/CCIIO provides KPMG with insights of the latest emerging trends and evolving models that are being adopted across the country, as well as realistic estimates of work effort and cost.

Initial cost estimates were based on the KPMG Exchange Reference Architecture (KERA) – based on Federal Guidance



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Idaho has three possible options to establish a Health Insurance Exchange that meets the PPACA's requirements

Key Business Functions (from KERA)	State-Based Exchange	Hybrid Exchange	Federally-Facilitated
Policy and Oversight	Idaho	Federal HHS Idaho Liaison	Federal HHS Idaho Liaison
Eligibility & Enrollment Operations	Idaho	Federal HHS Idaho Liaison	Federal HHS Idaho Liaison
Plan Management	Idaho	Idaho	Federal HHS
Financial Management	Idaho	Federal HHS	Federal HHS
Other Operations	Idaho	Federal HHS	Federal HHS
Reinsurance	Idaho	Idaho	Idaho
Risk Adjustment	Idaho	Federal HHS	Federal HHS
IT Operations	Outsourcer	Federal HHS	Federal HHS
Customer Service	Idaho	Federal HHS	Federal HHS
Contact Center	Outsourcer	Federal HHS	Federal HHS
Outreach	Idaho	Idaho Liaison	Federal HHS

Decisions on how to operate under each model still need to be made. The table illustrates our planning assumptions.

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The number of additional Idaho resources required varies depending on the level of Idaho control over the Exchange

	State-Based Exchange	Hybrid Exchange	Federally-Facilitated
Policy and Oversight	4	2.5	**
Eligibility & Enrollment Operations	2	**	**
Plan Management	2	2	
Financial Management	2		
Other Operations	1		
Reinsurance	*	*	*
IT Management	2	*	*
IT Operations	TBD		
Customer Service	1		
Contact Center	13		
Outreach	3	3	
Additional Idaho Resources	30	7.5	0

*Reinsurance and Risk Management will be managed as part of normal operations for the Idaho Department of Insurance
 **Idaho Liaison and Leadership will be provided as part of normal operations by the Department of Insurance

For cost estimation purposes, market prevalent technology packages were used to estimate the cost to the State of Idaho

	State-Based Exchange	Hybrid Exchange	Federally-Facilitated
Policy and Oversight	Microsoft Dynamics	FFE	FFE
Eligibility & Enrollment Operations	Oracle Siebel	FFE	FFE
Plan Management	Oracle Siebel	SERFF	FFE
Financial Management	Microsoft Dynamics Healthation*	FFE	FFE
Other Operations	Oracle Siebel	FFE	FFE
Reinsurance	N/A	N/A	FFE
Risk Management	N/A	N/A	FFE
IT Operations	BMC Remedy	FFE	FFE
Customer Service	Oracle Siebel	FFE	FFE
Contact Center	Microsoft Lync	FFE	FFE
Outreach	Oracle Siebel	Oracle Siebel	FFE

*Healthation will manage financial transactions relating to insurance premiums
 Microsoft Dynamics will manage financial accounts for the exchange organization
 FFE: Technology stack for the Federally-facilitated Exchange is currently under evaluation U.S. Department of Health and Human Services

Uninsured Population Assumptions

The team developed the following population assumptions to facilitate cost model development:

- Expected uninsured persons in Idaho: 158,600 (12,300 Medicaid, 146,300 ACA)
- Expected transaction volumes, annual growth
 - New Consumers (ACA and Medicaid): 25%*
 - New Employers: 2%
- Expected users of the exchange:
 - Exchange Operators: 30
 - Brokers: 5,600
 - Navigators: 100 (In-Person Assistors: 50)
 - Consumers: 270,200 (146,300 ACA eligible, 123,900 Medicaid eligible)
 - Small Business Employers: 38,200
 - Insurance Carriers – up to 14

*Represents the number of new citizens eligible for ACA/Medicaid. This number is significantly lower than the number of net new ACA/Medicaid eligible citizens as it is expected a portion will improve their income situation and eliminate their need to Medicaid or an ACA-based plan.

Schedule Assumptions

NOTES:

The timeline illustrated below for Option 1 applies to all Options.
 Initial (Minimum functionality) release deadline Oct. 1 2013.
 Additional required functionality can be delivered in a second release in 2014.
 Federal HIX funding available until end of 2014.
 Initial Operations (Startup) are funded by the Establishment Grant.
 State Based HIX needs to be self-sustaining by 2015.

This schedule is **extremely** aggressive.

Level	NAME	2012				2013				2014				2015			
		12Q1	12Q2	12Q3	12Q4	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4
1	State-based HIX Implementation																
2	State-based HIX Release 1 - Implementation																
2	State-based HIX Release 2 - Implementation																
2	State-based HIX Program Management, Integration and Support																
2	State-based HIX Operational Startup (part of Establishment Grant)																
1	State-based HIX Operation																
2	State-based HIX Operation (post Establishment Grant)																

Cost model estimates – Option 1 – State Based Exchange

Cost includes design and implementation of all minimally ACA required systems and business capabilities

Assumes a standalone organization separate from DOI

Based on previous estimates developed for various states

Timeline is extremely short for this level of effort (average of approx. 125 FTEs over the 2 year implementation timeline, peak above 200 FTEs)

The potential to re-use proven solutions from other states is minimal at best – all states are still in development and will be right up to the Oct. 2013 deadline

The risk of failing to meet the schedule is **SIGNIFICANT**

Initiative Name	External Resource Costs	Internal Resource Costs	Hardware	Software	Other Costs	Total Implementation Cost
State-based HIX Implementation	\$55,596,222	\$6,708,055	\$1,397,400	\$7,407,482	\$6,207,674	\$77,316,833
State-based HIX Release 1 - Implementation	\$24,705,294	\$2,756,588	\$1,286,200	\$7,407,482	\$51,250	\$36,206,814
State-based HIX Release 2 - Implementation	\$19,752,928	\$2,186,795	\$111,200	\$0	\$41,250	\$22,092,074
State-based HIX Program Management, Integration and Support	\$9,713,100	\$663,132	\$0	\$0	\$2,800,250	\$13,176,482
State-based HIX Operational Startup (part of Establishment Grant)	\$1,425,000	\$1,101,540	\$0	\$0	\$3,314,924	\$5,841,464
State-based HIX Operation	\$6,380,438	\$1,551,636	\$413,880	\$1,503,062	\$118,900	\$9,967,916
State-based HIX Operation (post Establishment Grant)	\$6,380,438	\$1,551,636	\$413,880	\$1,503,062	\$118,900	\$9,967,916

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Cost model estimates – Option 2 – Federally Facilitated Exchange

NOTES:

The Federal Facilitated Exchange estimates is based on the integration required between State based Medicaid Eligibility Systems and The Federal Exchange, and the requirement to report on referrals from the Federal Exchange to State Medicaid.

It also assumes that the State provides input into the federal exchange, particularly in terms of Eligibility, Plan Management, and Outreach to insurers, clients and employers.

Estimates include state provision of requirements to the federal exchange, and integrating with federal and state systems as required.

It is assumed that any operating cost impact will be absorbed by the state.

Initiative Name	External Resource Costs	Internal Resource Costs	Hardware	Software	Other Costs	Total Implementation Cost
Federal facilitated HIX Implementation	\$4,430,197	\$490,398	\$0	\$0	\$200,000	\$5,120,595
Federal-facilitated HIX Release 1 - Implementation	\$4,100,797	\$443,634	\$0	\$0	\$0	\$4,544,431
Federal-facilitated HIX Program Management, Integration and Support	\$329,400	\$46,764	\$0	\$0	\$200,000	\$576,164
Federal facilitated HIX Operation	\$0	\$0	\$0	\$0	\$0	\$0
Federal-facilitated HIX Operation	\$0	\$0	\$0	\$0	\$0	\$0

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Cost model estimates – Option 3 – Hybrid Exchange

NOTES:

The Hybrid Exchange is based on leveraging existing capabilities rather than setting up a new Exchange organization and systems.

Estimates include state provision of requirements to the federal exchange, building selected functions, and integrating with federal and state systems as required.

Initiative Name	External Resource Costs	Internal Resource Costs	Hardware	Software	Other Costs	Total Implementation Cost
Federal-State HIX Implementation	\$11,143,225	\$1,994,375	\$349,350	\$655,478	\$1,357,482	\$15,499,909
Federal-State Hybrid HIX Release 1 - Implementation	\$7,378,525	\$898,905	\$349,350	\$655,478	\$165,550	\$9,447,807
Federal-State Hybrid HIX Program Management, Integration and Support	\$3,358,200	\$4,330	\$0	\$0	\$750,000	\$4,112,530
Federal-State Hybrid HIX Operational Startup (part of Establishment Grant)	\$406,500	\$1,091,140	\$0	\$0	\$441,932	\$1,939,572
Federal-State HIX Operation	\$767,813	\$623,851	\$139,740	\$131,096	\$30,340	\$1,692,839
Federal-State HIX Operation	\$767,813	\$623,851	\$139,740	\$131,096	\$30,340	\$1,692,839

Cost model estimates – Option 4 – Hybrid Exchange Transitioning to State Based Exchange

This option assumes that the Hybrid Exchange will be built as defined in Option 3, followed by the implementation of a State Based Exchange within approximately 2-3 years following the Hybrid implementation.

It is assumed that the SBE implementation will take advantage of Federal Exchange Establishment funding.

The cost of the Hybrid Exchange will be unchanged from Option 3 - \$15.5M.

The cost of implementing the SBE at a later date offers the opportunity to leverage and re-use early SBE implementations.

The cost avoidance of this approach should be at least \$10-15M – so the SBE developed following Hybrid Exchange Implementation should cost approx. \$62.3-\$67.3M.

Estimated TOTAL COST of this option: \$77.8-\$82.8M

Comparison Of Options

Scenario		Implications				
Option	Year	Cost	BENEFITS	CONSTRAINTS	PMPM	% Success
1 State Based Exchange	Design & Impl	\$77M	■ State controls the entire Exchange	■ Very late start ■ Large and complex initiative ■ Little opportunity to leverage existing solutions ■ Expensive	\$3	VERY LOW
	ANNUAL OPS	\$10M				
2 Federally Facilitated Exchange	Design & Impl	\$5.1M	■ Low cost, low risk	■ Federally controlled ■ May be difficult to change later ■ Funding opportunity foregone	Unknown	HIGH – dependent on Fed Gov
	ANNUAL OPS	\$0				
3 Hybrid Exchange	Design & Impl	\$15.5M	■ State influences the market and the consumer ■ Modest investment and operation	■ State influence is limited	\$0.52 (state share) Fed share unknown	Medium
	ANNUAL OPS	\$1.7M				
4 Interim Hybrid Exchange Transition to State Based	Design & Impl	\$82.8M	■ Relatively low initial risk ■ State eventually controls the entire exchange ■ Can learn from other SBEs before going there	■ Longer duration ■ More change to manage over a longer time period	\$3	Medium
	ANNUAL OPS	\$10M				

Per Member Cost based on estimate of 270,000 users

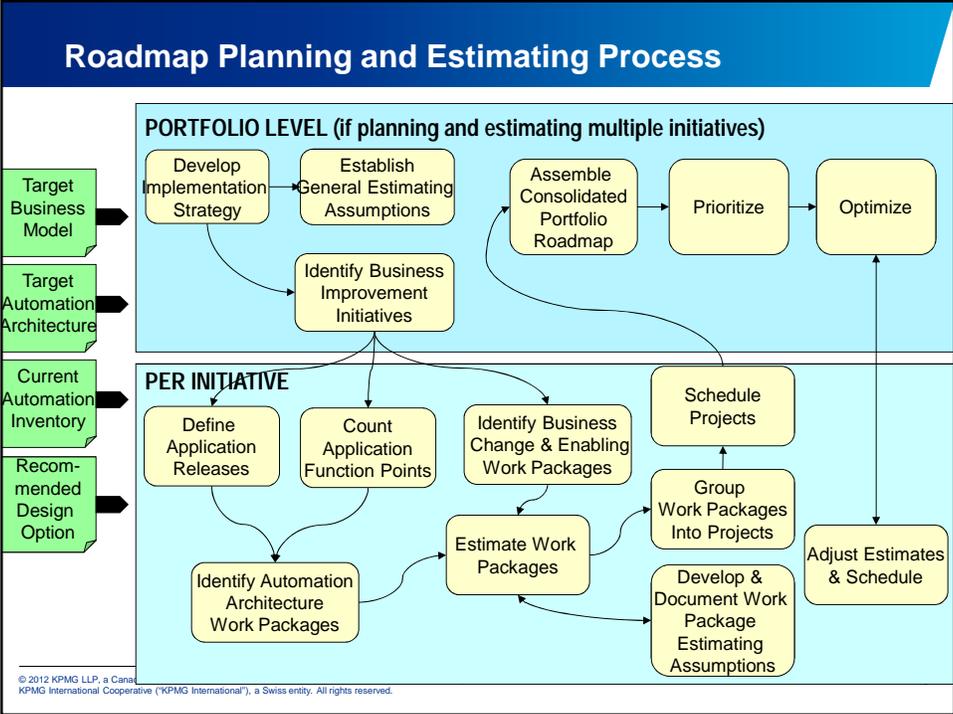
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Questions and Answers



APPENDIX - Planning Method



Estimating Application Component Complexity and Work Effort

All Application Components are estimated in terms of functional complexity

- Each Application Component is defined in terms of the business processes it supports
- Each process is mapped to the high level entities in the Conceptual Data Model
- This is the CRUD Matrix (each cell indicates whether the process Creates, Reads, Updates, or Deletes instances of each Entity)
- The CRUD matrix is the key input to a function point count

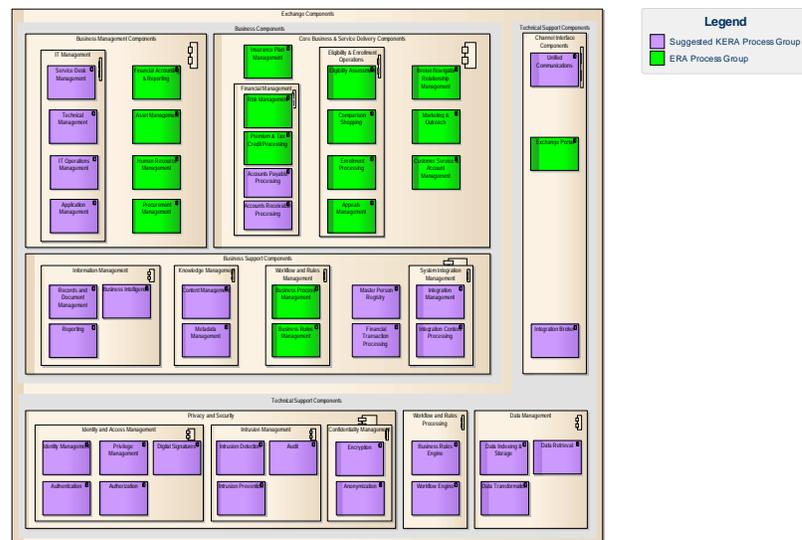
The COSMIC-FFP method is the method used for function point counting (ISO/IEC standard 19761:2003)

- The functional complexity of each process is calculated based on the CRUD, plus estimates of user I/O, interface I/O, and rules complexity
- The functional complexity of an Application Component is the sum of the function point counts of its processes

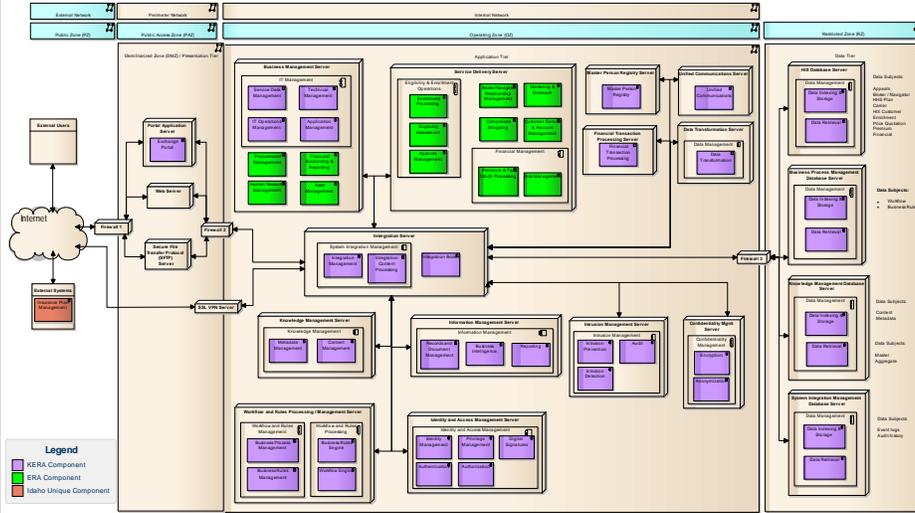
Work Effort is estimated based on Productivity assumptions

- The number of work days per function point assumed to specify, design, build/configure, test and implement
- COCOMO II is a key source we use for productivity assumptions (Common Cost Model)

The KERA Logical Component Architecture is derived from CMS guidance and complemented by HIE leading practices



Combination of the KERA component model and Idaho's components yields a consolidated deployment model for a state-based exchange



Thank you





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