



**Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight**

California SMART Package

Name: California SMART

Application Status: Attested

PDF Generated on: September 29, 2015, 12:19 pm EST

Contents

1.0 - Executive Summary	2
2.0 - Performance Metrics	4
3.0 - State Blueprint Profiles and Updates	10
4.0 - Eligibility and Enrollment	15
5.0 - Financial and Program Integrity	27
6.0 - IT, Privacy, and Security	38
7.0 - Attestation of Completion	50

1.0 - Executive Summary (100% Completed)

As the Executive Director or Chief Executive Officer (CEO), please provide an executive summary of SBM activities and accomplishments. This can include information, data, highlights of accomplishments, key investments, challenges, priorities for the coming year, and major changes to the strategic direction of the SBM.

To Whom It May Concern: On behalf of Covered California, California's Health Benefit Exchange, I am pleased to highlight several accomplishments of our first year of operations for the SMART report. Since the fall of 2013, Covered California has been offering health insurance to consumers in a competitive marketplace during two open enrollment periods and during special enrollment throughout the year. In the early spring of 2015, Covered California has concluded its second open enrollment period and first-ever renewal process, with more than 1.4 million people enrolled in health coverage from communities throughout the state. In the past year, Covered California has worked hard to make improvements based on lessons learned in the first year's open enrollment. Meaningful changes have been put in place, from adjusting our marketing and outreach efforts, to expanding service center hours to improving our information technology systems to better handle demands. Changes were guided by a report titled "Covered California Open Enrollment 2013-2014: Lessons Learned". I invite you to review the report which is available online: <http://www.coveredca.com/PDFs/10-14-2014-Lessons-Learned-final.pdf>. Last fall, Covered California began the process of renewing Covered California enrollees while also launching its second open enrollment period on Nov. 15. Ongoing efforts to reach California's diverse communities were expanded and improved this year, with early enrollment numbers indicating better success enrolling key target communities for 2015. Preliminary enrollment figures suggest Covered California succeeded again, enrolling close to 500,000 new consumers. Nearly nine out of every 10 new enrollees qualified for some level of financial help for 2015. New enrollment for 2015 brought in consumers who our marketing and outreach targeted including Latinos, African-Americans and young adults. Our efforts to reach diverse communities in the languages and methods that resonates is unmatched in the nation. Through our successes, California has shown that the dream of health reform can become a reality, even in the largest and most diverse of states. Enhancements made by Covered California after the first open-enrollment period - including increased Service Center hours, staffing and more bilingual enrollment assisters - were instrumental in driving strong enrollment numbers. The Service Center handled more than 1.3 million calls from November through February - more than twice the number it did for the same months during the first open-enrollment period. In February 2015 alone, Service Center representatives provided assistance to more than 440,000 callers, compared with 153,000 in February 2014. Those with coverage are now telling stories of the life-changing and sometimes life saving care they are receiving because they have health coverage. Their stories are evidence that the promise of health care reform is becoming a reality in California. I invite you to view a series of videos that tell the stories of five Californians whose lives have been transformed by gaining affordable, quality health care coverage through Covered California. Videos are available at <http://youtu.be/LzlpARPNFDE>. In the years ahead, Covered California will begin to shift from an exchange focused on enrolling those never insured or chronically uninsured to a focus on enrolling consumers throughout the year as the circumstances of their lives and coverage change and on assuring that all who enroll get the care they need. We look forward to a continued collaboration with our federal partners and thank you for your ongoing support as we build on the successes of our early years and expand and improve our work in the years ahead. Peter V. Lee Executive Director

2.0 - Performance Metrics (100% Completed)

2.A.

Performance Metrics Overview

The performance metrics were created to provide insight into the performance and impact of SBMs. This set of standardized metrics ensures basic transparency and allows consistent cross-state comparisons of the impact of varying approaches to SBM implementation. These metrics are critical to ensure the accountability and integrity of the SBMs.

Performance metrics are submitted by the SBMs to CMS via the Outcomes Metrics Template flat file on a quarterly and annual basis, as specified in the Program Integrity (PI) Rule Part II. SBMs must attest to each quarterly and annual submission in the SMART.

Please see Appendix A of the SMART Guide for a full list of the required data elements in the outcome metrics.

Acknowledged or OK

2.B.

Performance Monitoring

The Marketplace collected and reported to CMS performance monitoring data under 45 CFR Subpart M, §155.1200(a)(3).

Yes No

2.C.

Outcome Metrics Reports

The Marketplace submitted the quarterly outcomes metrics reports that include data pertaining to Qualified Health Plan (QHP) eligibility, enrollment into QHPs, and financial assistance.

Yes No

2.D.

Final Plan Year Quarterly Metrics Report

The Marketplace attests to submitting the final plan year Quarterly Metrics Report, which is cumulative in nature.

Yes No

Supporting Documents

If no, upload the final plan year Quarterly Metrics Report.

Document Title	Document Filename	Size	Date Uploaded
----------------	-------------------	------	---------------

2.E.

Self-Reporting: Performance Metrics Opportunity for Comments

Please identify best practices exhibited by the Marketplace, trends that demonstrate the impact of the Marketplace on the health market, and areas of improvement where technical assistance regarding Performance Metrics may be necessary for the Marketplace.

No comments at this time.

3.0 - State Blueprint Profiles and Updates (100% Completed)

3.A.

State-Blueprint Profiles and Updates Overview

State-Blueprint Profiles are created through data collected from SBMs on policy and operational decisions. These profiles will be used to track and analyze varying approaches to implementation of each Marketplace.

The SBM must review its State-Blueprint Profile through SERVIS. The SBM must attest that all of the information contained in the State-Blueprint Profile is accurate and current. Additionally, the SBM must note any changes to the Blueprint.

Please see Appendix B of the SMART Guide for a list of the policy categories that are part of the State-Blueprint Profile.

Acknowledged or OK

3.B.

State-Blueprint Profiles and Updates Submission

The Marketplace has provided to CMS a summary of the Marketplace's policy and operational decisions and confirms the completeness and accuracy as part of the annual report required under 45 CFR Subpart M, §155.1200.

Yes No

3.C.

State-Blueprint Profiles and Updates Accuracy

The Marketplace reviewed the State-Blueprint Profile and confirmed it is accurate and up-to-date.

Yes No

Supporting Documents

If no, update and upload the current State-Blueprint Profile.

Document Title	Document Filename	Size	Date Uploaded
CA Blueprint Profile	CA_State_Blueprint_Profile.xlsx	74.97 Kb	04-27-2015
Blueprint	Covered CA Complete Blueprint 040214.pdf	5899.82 Kb	04-02-2015

3.D.

Self-Reporting: State-Blueprint Profiles and Updates Opportunity for Comments

Please provide any comments on major changes to the State-Blueprint Profile, additional information that may not be captured on the State-Blueprint Profile, and/or information you would like to highlight.

No comments at this time.

4.0 - Eligibility and Enrollment (100% Completed)

4.A.

Eligibility and Enrollment Overview

Eligibility and enrollment requirements were created to enhance transparency and ensure fairness for consumers. SBMs should submit reports regarding eligibility and enrollment to CMS as part of this SMART. These reports should focus on eligibility determination errors, nondiscrimination safeguards, accessibility of information, and fraud and abuse incidences.

Acknowledged or OK

4.B.

Eligibility

The Marketplace provides to CMS eligibility reports, at least on an annual basis, under 45 CFR Subpart M, §155.1200(b)(2). The Marketplace attests to submitting each Quarterly Metrics Report, thus fulfilling this requirement.

Yes No

4.C.

Eligibility Determination Report

The Marketplace reports data on its eligibility determinations, including the number of applicants determined eligible/ineligible for QHPs and insurance affordability programs (e.g., advanced premium tax credits/cost-sharing reductions). The Marketplace attests to submitting each Quarterly Metrics Report, thus fulfilling this requirement.

Yes No

4.D.

Eligibility Determination Appeals Report

The Marketplace reports data on the number of QHP and insurance affordability program eligibility determinations appealed by applicants and the number of appeals upheld or reversed. The Marketplace attests to submitting each Quarterly Metrics Report, thus fulfilling this requirement.

Yes No

4.E.

Discrimination and Complaints Report

The Marketplace has policies and clear enforcement standards to safeguard against discrimination in its eligibility determinations (and subsequent enrollments), including reports of discrimination, complaint processes, and training of Marketplace personnel.

Yes No

Supporting Documents

If the Marketplace received reports of discrimination, upload the Discrimination and Complaints Report.

Document Title	Document Filename	Size	Date Uploaded
----------------	-------------------	------	---------------

4.F.

Consumer Access to Information

The Marketplace has consumer accommodations policies and procedures in place to ensure that all consumers have access to information and their options for assistance in applying to the Marketplace and appealing determinations.

Yes No

4.G.

Identify, Adjudicate and Report on Fraud, Waste and Abuse

The Marketplace has processes in place to identify, adjudicate, and report on fraud, waste and abuse incidents associated with Issuers, Agents/Brokers, Navigators, In-Person Assisters, Certified Application Counselors, and other entities associated with providing consumer assistance for applying for QHPs through the Marketplace.

Yes No

Supporting Documents

If the Marketplace identified incidents of fraud, waste, and abuse, upload the Fraud, Waste and Abuse Report for incidents associated with consumer assistance entities.

Document Title	Document Filename	Size	Date Uploaded
Fraud Waste Abuse	Fraud Waste Abuse.docx	13.06 Kb	04-01-2015

4.H.

Enrollment

The Marketplace provides CMS with enrollment reports on an annual basis under 45 CFR Subpart M, §155.1200(b)(2). The Marketplace attests to submitting each Quarterly Metrics Report, thus fulfilling this requirement.

Yes No

4.I.

Enrollment and Disenrollment Data

The Marketplace collects and reports data on its enrollments and disenrollments, including the number of enrollees receiving Advance Premium Tax Credits (APTCs)/Cost-Sharing Reductions (CSRs) by plan, metal tier, and type, and enrollee demographic data, including age, sex, gender, race/ethnicity, urban/rural residency, Federal Poverty Level (FPL), and English as a Second Language (ESL).

Yes No

Supporting Documents

If yes, upload the Enrollment and Disenrollment Data Report.

Document Title	Document Filename	Size	Date Uploaded
Enrollment Data	Copy of 141231 CMS Quarterly Report.xlsx	96.99 Kb	04-02-2015

4.J.

Enrollment Assistance

The Marketplace collects and reports on the number of applicants who were assisted in enrolling through a Navigator, Agent/Broker, In-Person Assister, Certified Application Counselor, or other entities associated with providing consumer assistance in applying for QHPs through the Marketplace. The Marketplace attests to submitting each Quarterly Metrics Report, thus fulfilling this requirement.

Yes No

4.K.

Self-Reporting: Eligibility and Enrollment Opportunity for Comments

Please provide information on any identified discrepancies and/or concerns with eligibility and enrollment and, if applicable, the steps that were taken to resolve such discrepancies and/or concerns. Please also address strengths, lessons learned, and best practices, and identify operational or policy issues, if any, which have caused significant and/or recurring problems in making accurate eligibility determinations or enrollments.

Re Item D: Covered California is currently working out the data reporting process with our federal partners and waiting for them to provide the data elements for our reports. Currently, we are developing a data tracking tool to that can adequately collect information relative to why consumers are appealing and the corresponding outcomes of the appeal. Per the Department of Social Services, for the period of 10/1/13-9/30/14: approximately 4,000 appeals have been received (include both Covered California only and dual appeals which is Covered California and Medi-Cal appeals from the same household). 18% of appeals were fulfilled in favor of, or partially in favor of the consumer; 6% were denied and 75% were withdrawn or dismissed. For Item E: At this time Covered California doesn't distinguish between discrimination-type issues (whether the discrimination is more of a civil rights issue or a QHP issue, i.e., physician doesn't accept QHP that was acquired through the Exchange). Covered California doesn't categorize complaints. Some complaints are "legitimate" and are either investigated or referred as appropriate. For example, a complaint was lodged that Covered California doesn't offer "pet insurance." That complaint is counted as a complaint. In 2014, Covered California received a total of 423 complaints; 101 of those were referred to outside departments for resolution. In June 2014, the Office of Inspector General finalized an audit (A-09-14-01000) of Covered California's effectiveness of ensuring that individuals were enrolled in QHPs according to federal requirements. That audit, along with Covered California's response, includes identified discrepancies and the steps that Covered California is taking to address identified deficiencies. The audit can be viewed at <https://oig.hhs.gov/oas/reports/region9/91401000.pdf>.

5.0 - Financial and Program Integrity (100% Completed)

5.A.

Financial and Program Integrity Overview

Requirements on financial and program integrity were developed to ensure proper oversight, accurate accounting of all activities, receipts, and expenditures, and assurance for identifying and addressing incidences of fraud, waste, and abuse. Additionally, requirements specify these financial statements need to be kept in accordance with Generally Accepted Accounting Principles (GAAP), as well as verified and corroborated by an annual independent external audit.

Financial and program integrity reporting requirements include attestation and document submission. The SBM must attest to the activities specified in the SMART Guide, as well as submitting proper documentation from an independent financial auditor.

Acknowledged or OK

5.B.

Accurate Accounting

The Marketplace keeps accurate accounting of all activities, receipts, and expenditures in accordance with GAAP under 45 CFR Subpart M, §155.1200(a)(1).

Yes No

5.C.

Financial Statement

The Marketplace has prepared an annual financial statement in accordance with GAAP under 45 CFR Subpart M, §155.1200(b)(1) and provided the financial statement to CMS.

Yes No Not Applicable

Supporting Documents

If yes, upload the completed annual financial statement.

Document Title	Document Filename	Size	Date Uploaded
Financial Statement	Financial Statement.pdf	82.73 Kb	04-01-2015

5.D.

Accurate Accounting and Financial Statement: Independent External Auditor Attestation

An independent, external auditor attests that the Marketplace has demonstrated to CMS accurate accounting of all activities, receipts, and expenditures and has prepared an accurate annual financial statement in accordance with GAAP.

Yes No

Supporting Documents

If yes, upload the auditor attestation confirming the Marketplace has demonstrated accurate accounting and prepared an accurate annual financial statement.

Document Title	Document Filename	Size	Date Uploaded
Auditor Attestation	Auditor Attestation.pdf	100.71 Kb	04-01-2015

5.E.

Independent External Audit

An independent, qualified auditing entity that follows generally accepted governmental auditing standards (GAGAS) has performed an annual independent external financial and programmatic audit of the Marketplace, under 45 CFR Subpart M, §155.1200(c) in compliance with the standards in 45 CFR Subpart M, §155.1200(d).

Yes No Will Submit at Later Date

Supporting Documents

If yes, upload results of the annual independent external audit. If the Marketplace will submit the results of the annual independent external audit at a later date, select the "Will Submit at Later Date" button and provide the date in Question J. Self-Reporting: Financial and Program Integrity Opportunity for Comments.

Document Title	Document Filename	Size	Date Uploaded
----------------	-------------------	------	---------------

5.F.

Material Weaknesses

The independent external audit identified a material weakness or significant deficiency.

Yes No

If yes, the Marketplace has informed CMS of any material weakness or significant deficiency and any intended corrective action identified by the independent external audit.

Yes No

Supporting Documents

If yes, upload corrective action plan (CAP) addressing the material weakness or significant deficiency identified by the external audit.

Document Title	Document Filename	Size	Date Uploaded
----------------	-------------------	------	---------------

5.G.

Audit Results Available to Public

The Marketplace has made a summary of the results from the independent external audit available to the public.

Yes No

5.H.

Maintenance of Records

The Marketplace adheres to the maintenance of records requirements as stated under 45 CFR Subpart M §155.1210(a)(b)(c).

Yes No

5.I.

Fraud, Waste, and Abuse

The Marketplace has identified incidents of fraud, waste, and abuse within its operations under 45 CFR Subpart M, §155.1200(b).

Yes No

If yes, the Marketplace has reported these incidents to CMS.

Yes No

Supporting Documents

If yes, upload the Fraud, Waste, and Abuse Report.

Document Title	Document Filename	Size	Date Uploaded
----------------	-------------------	------	---------------

5.J.

Self-Reporting: Financial and Program Integrity Opportunity for Comments

Please identify any new initiatives related to the SBM management of financial and programmatic integrity, provide explanations of problematic issue areas identified, and a description of any areas the auditor identified as at risk and the SBM mitigation strategies to address those issues.

Audit to be completed May 31, 2015.

6.0 - IT, Privacy, and Security (100% Completed)

6.A.

Information Technology, Privacy and Security Overview

Each SBM is required to submit information technology (IT), privacy and security plans and documentation to ensure compliance with state and Federal requirements. Section 1411(g) of the ACA specifies the need to protect the confidentiality of personally identifiable information (PII) in Marketplace-related processes. Section §155.260 of the *Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers* Final Rule specifies the requirements for privacy and security of personally identifiable information. In addition to regulations, CMS and SBMs executed Interconnection Security Agreements (ISAs), Computer Matching Agreements (CMAs) and Information Exchange Agreements (IEAs) that govern the use, disclosure and exchange of PII between the Federal Data Services Hub (FDSH), and the SBM IT system.

Acknowledged or OK

6.B.

System Security Plan

The Marketplace reviewed and submitted the System Security Plan (SSP) to CMS, which contains all of the MARS-E controls that the Marketplace must document and implement to demonstrate compliance with 45 CFR §155.260(a)(3)(vii) as well as the legal agreements signed by CMS and the Marketplace. The Marketplace has also informed CMS of any major updates to the SSP.

Yes No

6.C.

Interconnection Security Agreement

The Marketplace has reviewed and confirms compliance with the Interconnection Security Agreement (ISA), a legal agreement that was signed when the Marketplace and CMS networks were connected directly or indirectly (see 45 CFR §155.260(e)).

Yes No

6.D.

Computer Matching Agreement

The Marketplace has reviewed the Computer Matching Agreement (CMA), a legal agreement that was signed when data was matched and transferred between the Marketplace and CMS under Sections 1311, 1411 and 1413 of the ACA (see 45 CFR §155.260(e)).

Yes No

6.E.

Information Exchange Agreement

The Marketplace has reviewed the Information Exchange Agreement (IEA), a legal agreement that specifies how information will be exchanged between the Marketplace and CMS systems (see 45 CFR §155.260(e)).

Yes No

6.F.

Privacy Impact Assessment

The Marketplace submitted the Privacy Impact Assessment (PIA) to CMS, identifying the systems that contain PII and privacy protections that have been incorporated to maintain compliance with 45 CFR §155.260(a)(3)(vii).

Yes No

The PIA can be found using the following CALT Document Identification Number:

Document #: doc101083. Document Name: CA_SBM_POAM_01302015

6.G.

Security Assessment Report

The Marketplace submitted the Security Assessment Report (SAR) to CMS, validating that the Marketplace conducted an assessment of security controls in the Marketplace information system to determine the extent to which the controls are implemented correctly, operating as intended, and producing the desired outcome to meet the security requirements for the system. The CMS MARS-E requires an independent assessment and corresponding SAR be completed every three years or whenever significant changes to the system configuration or the operational environment occur that warrant the reissuance of the ATC with CMS.

Yes No

6.H.

Plan of Action and Milestones

The Marketplace submitted the Plan of Action and Milestones (POA&M) quarterly to CMS, identifying the risks and weakness for systems that contain PII and privacy protections that have been incorporated to maintain compliance with 45 CFR §155.260(a)(5). If no, please provide a comment under Section K: Self Reporting.

Yes No

6.I.

Annual Security Attestation

The Marketplace submitted the Annual Security Attestation to CMS. The annual attestation includes the submission of updated System Security Plan and results of testing conducted on a subset of MARS-E security controls specified in the *Annual Security Attestation Procedures for State-Based ACA Administering Entity Systems*.

Yes No

6.J.

Change Reporting

The Marketplace submitted change reports to CMS for changes to information system hardware, software, and/or network components that may significantly impact the overall security posture of the system as required.

Yes No Not Applicable

6.K.

Self-Reporting: Information Technology, Privacy and Security Opportunity for Comments

Please provide any comments on major changes to Information Technology, Privacy and Security plans and documents, and/or information you would like to highlight.

Covered California's Privacy and Security Program has been audited by CMS, IRS, California Bureau of Audits, OIG, and is currently being audited by the GAO. All completed audits have been provided to CMS. Once the GAO audit is complete, the report will be forwarded to CMS.

7.0 - Attestation of Completion (100% Completed)

7.A.

Attestation of Completion

On this date, I attest that the statements and information contained in this State-based Marketplace Annual Reporting Tool (SMART) and the documents submitted in conjunction with this report accurately represent the SBM's compliance with the regulatory requirements.

Yes No

Print Name

Mandy Garcia

Your Title

Policy Analyst

Date

04/27/2015