

September 23, 2021

Ms. Carrie Banahan
Deputy Secretary
Kentucky Health Benefit Exchange
Cabinet for Health & Family Services
275 East Main Street, 5W-A
Frankfort, KY 40621

Dear Ms. Banahan,

I am pleased to inform you that the Commonwealth of Kentucky has received conditional approval to re-establish its State-based Exchange (SBE). Congratulations to the Kentucky Health Benefit Exchange (KHBE), also known as kynect, on reaching this significant milestone on the path to establishing a State-based Exchange for the residents of Kentucky.

Conditional approval reflects the progress kynect has made in demonstrating its readiness as an SBE to provide affordable, quality coverage for consumers for plan year 2022. The Centers for Medicare & Medicaid Services (CMS) has reached this decision based on Kentucky's Blueprint attestations, progress to date, and expected progress across the entire spectrum of Exchange requirements, and is contingent upon the following conditions:

1. Continued demonstration of the ability to perform required Exchange activities in line with the attestations Kentucky has made in its State-based Exchange Blueprint Application submission. Please find appended to this letter, a chart summarizing CMS' assessment of kynect's progress around key SBE transition activities;
2. Continued compliance with federal regulations and completion of remaining progress milestones by Kentucky.

We look forward to continuing our partnership with the Commonwealth of Kentucky and are committed to providing your team our ongoing support and technical assistance to help kynect succeed.

Thank you,



Ellen Montz
Deputy Administrator and Director
Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services

ATTACHMENT: Kentucky (kynect) - Status of Key SBE Transition Activities

| Key Functional Area | State Progress |
|---|---|
| Federal Data Services Hub (HUB) Authority to Connect (ATC) | <ul style="list-style-type: none"> • kynect submitted final privacy and security documents to CMS on 6/28/21 and Security Assessment Report (SAR) Report on 7/1/21. • IRS approved kynect's Safeguard Security Report (SSR) on 8/2/21. • kynect received Authority to Connect from CMS on 8/23/21. • kynect's PROD HUB service target date is 9/24/21. |
| Federal Data Services Hub (HUB) Testing | <ul style="list-style-type: none"> • HUB harness/TDS testing began on 6/1/2021, kynect completed testing for the HUB services on 9/15/21. IRS and Equifax End-to-End testing for RRV is pending and being tested on 9/17. |
| Plan Management | <ul style="list-style-type: none"> • kynect has successfully completed QHP plan load integration testing with SERFF. Final plan data transfer to kynect using SERFF commenced between 8/12/21 - 8/21/21. |
| Eligibility and Enrollment | <ul style="list-style-type: none"> • kynect submitted its single, streamlined eligibility application for CMS review and approval under 45 CFR 155 Subpart D and 45 CFR 155.405(b). • kynect demonstrated eligibility functionality through three Operational Readiness Review (ORR) meetings with CMS on 5/24/21 and 6/14/21, and 6/21/21. • kynect will address the following open items identified through CMS' reviews: <ul style="list-style-type: none"> ○ Prior to Open Enrollment - kynect to update language for "Other Immigration Document" option to "Other" in the Immigration Document Type menu to ensure that documentation is not required from the applicant in order to submit the application and receive an eligibility determination, in accordance with 42 CFR 435. ○ Post-Open Enrollment - kynect to implement Special Enrollment Period eligibility determination functionality required under 45 CFR 155.420 ○ Post-Open Enrollment - kynect to further add dynamic functionality to its single, streamlined eligibility application such that questions are asked as-needed based on the ACA or non-ACA program applicant is seeking coverage for, and to ask non-MAGI screening questions to applicants only. <ul style="list-style-type: none"> ▪ As discussed during ORR demos, kynect is tracking the three changes for dynamic implementation- <ul style="list-style-type: none"> • ORR Item 1 (#Regarding Income & Subsidies Section questions) from the kynect ORR Tracker shared by CMS on 7/29/21. • ORR Item 2 (#Regarding income types) from the kynect ORR Tracker shared by CMS on 7/29/21. • ORR item 14 (#Regarding current income question) from the kynect ORR Tracker shared by CMS on 7/29/21. ○ Post-Open Enrollment – kynect to continue further enhancing content of eligibility determination results in the online application, and eligibility notices, using CMS recommendations as a reference point. |
| Consumer Assistance | <ul style="list-style-type: none"> • kynect provided a walk-through of their Exchange Call Center and website plans to CMS on 7/12/21 and is on track to launch their Exchange website and call center prior to Open Enrollment. • kynect provided its SBE Communications Plan to CMS on 5/28/21. • CMS and kynect have established a coordinated consumer communication plan and transition calendar, and is finalizing consumer notice language and call center scripts with CMS. |