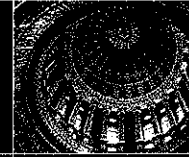


State Actions: Health Insurance Exchanges



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Colorado Legislative Health Benefit Exchange
Implementation Committee
August 1, 2011
Martha Salazar



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Key Coverage Provisions

- **Maintains an employer-based system & private market**
- Requires most people to have insurance ("individual mandate")
- **Requires health insurance exchanges**
- Expands Medicaid significantly (to 133% FPL)
- Enacts health insurance reforms



Health Insurance Exchanges

- o Every state must have Exchange(s) for individuals and small businesses (up to 100 employees), effective Jan. 1, 2014; May open to large employers effective January 1, 2017; or "alternative" program.
- o Flexibility in determining if the state will create an exchange (feds will run it, if not), who will govern it, and how it will be structured.
- o Exchange plans must cover at least 60% of service costs: varies based on bronze [60%], silver [70%], gold [80%] or platinum [90%]
- o HHS released initial guidance and recently released Proposed Rules and the National Association of Insurance Commissioners released model legislation.



Deciding to Establish a State-Based Exchange

- o If a state decides it would like to establish a state-based health insurance exchange, it must notify the Secretary of the Department of Health and Human Services via a State Plan by January 1, 2013.
- o The State must demonstrate it is in the process of establishing an exchange that will be operational by January 2014.



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State	Structure	Governance	Carrier Selection
California	Independent State Agency	5 Member Board	Active Purchaser
Colorado	Non-Profit	12 Member Board	Not an Active Purchaser
Connecticut	Quasi-Public Agency	14 Member Board	Active Purchaser
Hawaii	Non-Profit	15 Member Interim Board	Commissioner Will Determine
Illinois	Intent		
Maryland	Independent State Agency	9 Member Board	Board of Directors will decide
Massachusetts	Independent State Agency	11 Member Board	Active Purchaser



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State	Structure	Governing	Carrier Selection
Nevada	Independent Public Agency	10 Member Board	Not determined in Legislation
North Dakota	Intent		
Oregon	Quasi-Governmental	9 Member Board	Active Purchaser
Utah	Existing Agency-Office of Consumer Health Services	Not a set number, can be up to 9	All plans are allowed to participate
Vermont	Existing Agency	A Deputy Commissioner of the Department of Health Access	Not an Active Purchaser
Virginia	Intent		
Washington	Public/Private Partnership separate from the state	11 Member Board	Board of Directors will Decide
West Virginia	New Entity within the Office of Insurance	10 Member Board	Not an Active Purchaser



Non-Legislative Actions

o Louisiana

- Governor announced that the federal government will run the exchange in the state.

o Mississippi

- The Mississippi Comprehensive Health Insurance Risk Pool Association will establish the state's health insurance exchange.
- Mississippi's Insurance Commissioner Mike Chaney determined that the association had the statutory authority to establish an exchange.
- Once the association presents a plan, it will need approval from the insurance commissioner and HHS but will not need further legislative action to move forward due to statutory authority it was given in 2009 as the state high-risk health pool program.



What we know from others...

Massachusetts

- o In 2006, Massachusetts passed health reform legislation that developing the Commonwealth Health Insurance Connector Authority.
- o The board was initially charged with implementing the exchange. It established procedures for selecting and approving private plans to be offered in the Connector.
- o The board also developed enrollment procedures.



Utah Exchange

- o Developing a blueprint for implementation
 - Modifying system and expanding internet portal to meet federal requirements for premium tax subsidies and credits and Medicaid and CHIP eligibility.

Lessons Learned from Former Speaker David Clark

1. Support and Cooperation Within and Across State Government is Key
2. Begin with the End in Mind
3. Develop a General Timeline
4. Identify Specific Problems to be Addressed
5. Demography is Destiny



States are moving along...

- o Vermont HB 202--Establishes a strategic plan for creating a single-payer and unified health system in the State of Vermont and includes the exchange in their state based health reform legislation.
- o Louisiana has decided to let the federal government run the exchange in the state
- o Virginia intends to establish an exchange

