

News Release

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Contact: HHS Press Office

(202) 690-6343

HHS announces new resources to help states implement Affordable Care Act

States continue to move forward, have new support to implement Health Insurance Exchanges

Today, Health and Human Services (HHS) Secretary Kathleen Sebelius announced a new funding opportunity for grants to help states continue their work to implement a key provision of the Affordable Care Act -- Health Insurance Exchanges.

When the Affordable Care Act is fully implemented in 2014, Health Insurance Exchanges will provide individuals and small businesses with a "one-stop shop" to find and compare affordable, high-quality health insurance options.

"States are moving forward, implementing the Affordable Care Act and making reform a reality," said Sebelius. "These grants will help ensure states have the resources they need to establish exchanges and ensure Americans are no longer on their own when shopping for insurance."

Health Insurance Exchanges will bring new transparency to the market so that consumers will be able to compare plans based on price and quality and will offer all Americans the same insurance choices members of Congress will have. By increasing competition among insurance companies and allowing individuals and small businesses to band together to purchase insurance, Exchanges will also lower costs.

The Exchange establishment grants announced today recognize that states are making progress toward establishing Exchanges but doing so at different paces. States that are moving ahead on a faster pace can apply for multi-year funding. States that are making progress in establishing their Exchange through a step-by-step approach can apply for funding for each project year. Moving forward, states will have multiple opportunities to apply for funding as they progress through Exchange establishment. This process gives states maximum flexibility and ensures that states can move forward on their own timetables as they work to build an Exchange.

States can use the Exchange establishment grants for a number of different activities including conducting background research, consulting with stakeholders, making legislative and regulatory changes, governing the exchange, establishing information technology systems, conducting financial management and performing oversight and ensuring program integrity.

States are already taking their first steps toward 2014 when Health Insurance Exchanges will be operational. For example, California signed first-in-the-nation legislation to implement a Health Insurance Exchange under the Affordable Care Act on September 30, 2010. Maryland's Health

Reform Coordinating Council has already carried out research to understand the state's health insurance marketplace and health expenditures, as well as how to make health care costs and quality more transparent. Colorado is holding regular community forums on issues around developing an Exchange, as well as conducting extensive research and economic analyses on the state's health insurance market.

Many of those activities have been funded by the \$49 million in Exchange planning grants awarded by HHS in July of 2010. States applied to use those grants for a number of important planning activities including research to understand their insurance markets, efforts to obtain the legislative authority to create Exchanges, and steps to establishing the governing structures of Exchanges.

The Exchange establishment funding announcement can be found at www.Grants.gov by searching for CFDA number 93.525. More information can be found at <http://www.healthcare.gov/news/factsheets>.

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