

News Release

FOR IMMEDIATE RELEASE

November 29, 2011

Contact: HHS Press Office

(202) 690-6343

States receive more flexibility, resources to implement Affordable Insurance Exchanges

More than half of states now creating marketplaces to help millions of families and small businesses buy insurance

The Department of Health and Human Services (HHS) today awarded nearly \$220 million in Affordable Insurance Exchange grants to 13 states to help them create Exchanges, giving these states more flexibility and resources to implement the Affordable Care Act. The health care reform law gives states the freedom to design Affordable Insurance Exchanges – one-stop marketplaces where consumers can choose a private health insurance plan that fits their health needs and have the same kinds of insurance choices as members of Congress.

The Department also released several Frequently Asked Questions providing answers to key questions states need to know as they work to set up these new marketplaces. Critical among these are that states that run Exchanges have more options than originally proposed when it comes to determining eligibility for tax credits and Medicaid. And states have more time to apply for “ Level One” Exchange grants.

Today’ s awards bring to 29 the number of states that are making significant progress in creating Affordable Insurance Exchanges. States receiving funding today include: Alabama, Arizona, Delaware, Hawaii, Idaho, Iowa, Maine, Michigan, Nebraska, New Mexico, Rhode Island, Tennessee, and Vermont.

“ We are committed to giving states the flexibility to implement the Affordable Care Act in the way that works for them,” HHS Secretary Kathleen Sebelius said. “ Exchanges will

give consumers more choices and make it easy to compare and shop for insurance plans.”

In the new Exchanges, insurers will provide new information such as an easy-to-understand summary of benefits and costs to consumers. The level of detail will sharpen competition between carriers which will drive costs down.

HHS also released today a set of Frequently Asked Questions (FAQs) in anticipation of state legislative sessions beginning in January. Answers will help advance state policy development for Exchanges. For example, they clarify that Exchange grants can be used to build a state Exchange that is operational after 2014; that state-based Exchanges will not be charged for accessing Federal data needed to run Exchanges in 2014; and that state insurance rules and operations will continue even if the Federal government is facilitating an Exchange in the state. HHS will also allow greater flexibility in eligibility determinations, allowing, for example, a state-based Exchange to permit the Federal government to determine eligibility for premium tax credits.

Of the 13 states awarded grants today, 12 are receiving Level One grants, which provide one year of funding to states that have already made progress using their Exchange planning grant. The 13th state, Rhode Island, is receiving the first Level Two grant, which provides multi-year funding to states further along in the planning process.

Forty-nine states and the District of Columbia have already received planning grants, and 45 states have consulted with consumer advocates and insurance companies. Thirteen states have passed legislation to create an Exchange.

States have many opportunities to apply for funding. To accommodate state legislative sessions and to give states more time to apply, HHS also announced a six-month extension for Level One establishment grant applications. Applications now will be accepted until June 29, 2012 (the original deadline was December 30, 2011).

For the FAQs, visit <http://cciio.cms.gov/resources/regulations/index.html#hie>.

For more information on Affordable Insurance Exchanges, visit
<http://www.HealthCare.gov/law/features/choices/exchanges/index.html>

For more information on the states receiving grants, visit
<http://www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html>

###

Note: All HHS press releases, fact sheets and other press materials are available at
<http://www.hhs.gov/news>.

Last revised: November 29, 2011