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Affordable Insurance Exchanges: State Partnership Model

Under the Affordable Care Act, State-based Affordable Insurance Exchanges will be available in 2014 to help consumers choose the best health plan for their needs. Affordable Insurance Exchanges will help millions of Americans who have been uninsured or blocked out of the system due to a pre-existing condition with access to quality, affordable health insurance options. Exchanges are marketplaces where insurance companies will compete for business on price and quality, giving consumers more for their money and the same kind of insurance choices as Members of Congress.

Because each State has different needs, the Department of Health and Human Services (HHS) has worked to ensure that States have flexibility to implement the law to meet those needs. HHS is committed to providing States the tools and resources to successfully establish and operate Exchanges that work best for consumers in their State. These include:

- Grant funding to help States build Exchanges;
- Technical assistance for States, including one-on-one assistance, State grantee meetings, and State-to-State assistance that includes sharing of resources, systems designs, and other innovations; and
- Several proposed rules on Exchanges, which provide details related to setting up Exchanges; guidance on the information technology needed to support Exchanges; and formal requests for input on key topics.

In the Exchange rule published on July 15, 2011 and in a letter from Secretary Sebelius to Governors, we announced the State Partnership model. The model is intended to give States another option to tailor their Exchange to accommodate local needs and market conditions. The Partnership model is also a way that States can transition to fully operating their own Exchanges.

On September 19, 2011, HHS provided more information to States on Exchange Partnership Opportunities. The Partnership model describes Exchanges where both HHS and a State work together to operate different functions of the Exchange. The goal of the Partnership is to take advantage of the State's expertise and knowledge of their insurance markets to support a seamless consumer experience. States may use Exchange grant funding to support the functions they choose to operate under the Partnership that are related to establishing the Exchange. These options reflect the comments that we have heard from States and stakeholders to date, and we look forward to more comments on these Exchange Partnership opportunities.

Under the proposed Partnership model, States may choose one of the following options:

- **State Plan Management:** If electing to operate the plan management function, States will help tailor health plan choices for their State's Exchange. This option builds on the existing strengths and expertise of States. Plan management functions include the collection and

analysis of plan information, plan monitoring and oversight, and data collection and analysis – all functions that States have extensive experience performing in the current marketplace. HHS will coordinate with the State regarding plan oversight, including consumer complaints and issues with enrollment reconciliation. Where appropriate, HHS will help to ensure that Exchanges meet all of the required standards so consumers have access to a range of high quality plan options.

- **State Consumer Assistance:** If electing the consumer assistance functions, a State would oversee in-person consumer assistance, manage the Navigator program (which will help provide direct assistance helping people sign up for insurance), and conduct outreach and education – all functions that build on existing State relationships. Other consumer assistance functions which can be more centralized– including call center operations, managing the consumer website, and written correspondence with consumers to support eligibility and enrollment – would be operated by HHS.
- **Both Plan Management & Consumer Assistance:** If electing this option, States would perform both these functions.

HHS looks forward to receiving feedback on these new opportunities for States as part of public comments to the July 15, 2011 Notice of Proposed Rule on Exchange Establishment and Qualified Health Plans, for which comment closes on September 28, 2011.

For more information, please visit:

<http://cciio.cms.gov/resources/other/index.html#hie>

BLOG Posted By Steve Larsen, Director of the Center for Consumer Information and Insurance Over

<http://www.healthcare.gov/news/blog/exchanges09192011.html>

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