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Policies give States more flexibility to establish Affordable Insurance Exchanges

Health and Human Services Secretary Kathleen Sebelius today announced policies to assist States in building Affordable Insurance Exchanges. Starting in 2014, these one-stop marketplaces will allow consumers and small businesses to choose a private health insurance plan and offer the public the same kinds of insurance choices as members of Congress.

The policies released today will help States in designing their Exchanges to best meet the needs of their consumers. They offer States substantial flexibility as they design a marketplace that works for their residents.

“These policies give States the flexibility they need to design an Exchange that works for them,” said HHS Secretary Kathleen Sebelius. “These new marketplaces will offer Americans one-stop shopping for health insurance, where insurers will compete for your business. More competition will drive down costs and Exchanges will give individuals and small businesses the same purchasing power big businesses have today.”

Today’s policies provide States with the guidance and certainty they need as they continue to work to build these marketplaces for their residents for operation in 2014. The policies offer guidance about the options on how to structure Exchanges in two key areas:

- Setting standards for establishing Exchanges, setting up a Small Business Health Options Program (SHOP), performing the basic functions of an Exchange, and certifying health plans for participation in the Exchange;
- Establishing a streamlined, web-based system for consumers to apply for and enroll in qualified health plans and insurance affordability programs.

The final rule builds on the flexibility and resources provided by HHS already to build State-based Exchanges. A majority of States have taken significant steps in building Exchanges. Previously, HHS awarded 49 States and the District of Columbia \$50 million to begin planning their Exchanges, and as announced recently, 33 States and the District of Columbia have received over \$667 million in Establishment Grants to begin building their Exchanges.

Today's announcement builds on over two years' worth of work with States, small businesses, consumers, and health insurance plans. The administration examined models of Exchanges; convened numerous meetings and regional listening sessions across the country with stakeholders; and consulted closely with State leaders, consumer advocates, employers and insurers. To finalize the rules announced today, HHS accepted public comment over 75 days to learn from States, consumers, and other stakeholders on how the rules could be improved, and HHS modified the proposals based on feedback from the American people.

For more information on today's announcement, visit:

<http://www.healthcare.gov/news/factsheets/2011/07/exchanges07112011a.html>

For more information on Exchanges, including fact sheets, visit <http://www.healthcare.gov/exchanges>.

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Click here to read the final rule at the *Federal Register*: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2012-06125.pdf>