

To: All Interested Hill Staff

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From: HHS, Office of the Assistant Secretary for Legislation

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Date: Thursday, September 30, 2010

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Subject: Announcement Regarding Affordable Care Act Grants to Help States Plan for the Establishment of Exchanges

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Today the Department of Health and Human Services announced the award of nearly \$49 million to help 48 States and the District of Columbia plan for the establishment of health insurance Exchanges. A key part of the Affordable Care Act, starting in 2014, health insurance Exchanges – new, competitive, consumer-centered private health insurance marketplaces – will put greater control and greater choice in the hands of individuals and small businesses.

The state-based Exchanges will make purchasing health insurance easier by providing eligible consumers and businesses with “one-stop-shopping” where they can compare and purchase health insurance coverage. Americans will have the same health care choices as members of Congress – who will also purchase coverage through the Exchanges. Individuals and families purchasing health insurance through Exchanges may also qualify for tax credits and reduced cost-sharing depending on their income.

These grants of up to \$1 million each will give States the resources they need to conduct the research and planning needed to build a better health insurance marketplace and determine how their Exchanges will be operated and governed, including:

- Assessing current information technology (IT) systems and infrastructure and determining new requirements.
- Developing partnerships with community organizations to gain public input into the Exchange planning process.
- Planning for consumer call centers to answer questions from their residents.
- Determining the statutory rules needed to build the exchanges.
- Hiring key staff and determining ongoing staffing needs.
- Planning the coordination of eligibility and enrollment systems across Medicaid, the Children’s Health Insurance Program (CHIP), and the Exchanges.

- Developing performance metrics, milestones and ongoing evaluation.

Although state Exchanges are not required to be operational until 2014, these planning grants begin the path toward 2014 when health insurance Exchanges will take what is now a very complicated and confusing process and turn it into a simple, easy to navigate experience that benefits consumers, not insurance companies.

The Department of Health and Human Services is working closely with States in implementing the Affordable Care Act. This is just the first round of State Planning and Establishment Grants, which are one of several resources available to States to help with implementation of the Affordable Care Act. Already, 46 states have received resources from the Affordable Care Act to help improve the oversight of proposed health insurance premium increases, take action against insurers seeking unreasonable rate hikes, and ensure consumers receive value for their premium dollars.

A fact sheet about these awards can be found at:

<http://www.healthcare.gov/news/factsheets/esthealthinsurexch.html>.

Information on how each State will use the new resources can be found at: <http://www.healthcare.gov/news/factsheets/grantawardslist.html>.