Excerpted from: "American Health Benefit Exchanges,"
National Conference of State Legislatures

Guidance for Statutory Requirements

According to the ACA [Affordable Care Act] there are two basic types of federal requirements for exchanges which include 1) minimum functions exchanges must undertake directly or, in some cases, by contract; and 2) oversight responsibilities the exchanges must exercise in certifying and monitoring the performance of Qualified Health Plans (QHPs). Plans participating in the exchanges must also comply with state insurance laws and federal requirements in the Public Health Service Act.

Exchange Functions.	**Core functions that an exchange must meet:** • Certification, recertification and decertification of plans, • Operation of a toll-free hotline, • Maintenance of a website for providing information on plans to current and prospective enrollees, • Assignment of a price and quality rating to plans, • Presentation of plan benefit options in a standardized format, • Provision of information on Medicaid and CHIP eligibility and determination of eligibility for individuals in these programs, • Provision of an electronic calculator to determine the actual cost of coverage taking into account eligibility for premium tax credits and cost sharing reductions, • Certification of individuals exempt from the individual responsibility requirement, • Provision of information on certain individuals and to employers, • Establishment of a Navigator program that provides grants to entities assisting consumers. **Additional Exchange functions include:** • Presentation of enrollee satisfaction survey results, • Provision for open enrollment periods, • Consultation with stakeholders, including tribes, and • Publication of data on the exchange's administrative costs.

Oversight Responsibilities	**[U.S.] HHS is required to develop regulatory standards in five areas that insurers must meet in order to be certified as QHP by an Exchange:** 1. Marketing 2. Network adequacy 3. Accreditation for performance measures 4. Quality improvement and reporting 5. Uniform enrollment procedures **Additional areas where exchanges must ensure plan compliance with regulatory standards established by [U.S.] HHS include:** • Information on the availability of in-network and out-of-network providers, including provider directories and availability of essential community providers, • Consideration of plan patterns and practices with respect to past premium increases and a submission of the plan justifications for current premium increases, • Public disclosure of plan data identified, including claims handling policies, financial disclosures, enrollment and disenrollment data, claims denials, rating practices, cost sharing for out of network coverage, and other information identified by HHS, • Timely information for consumers requesting their amount of cost sharing for specific services from specified providers, • Information for participants in group health plans, • Information on plan quality improvement activities.

For more information, see: http://www.ncsl.org/default.aspx?TabId=21393, accessed Nov. 23, 2011

Excerpted from: "State Actions to Implement Health Insurance Exchanges,"
National Conference of State Legislatures

Overview

Health Insurance Exchanges are, for most states, new entities that will function as a marketplace for buyers of health insurance, giving them choices for health coverage. They will offer a variety of certified health plans and provide information and educational services to help consumers understand their options. The 2010 Affordable Care Act (ACA) gives states the option to establish one or more state or regional exchanges, partner with the federal government to run the exchange, or to merge with other state exchanges. If a state chooses not to create an exchange, the federal government will set up the exchange(s) in the state. Massachusetts and Utah passed laws prior to the enactment of the Affordable Care Act in March 2010.

Summary of 2011 State Legislative Action

Legislation passed in 2010 or 2011: 14 States	Did not Pass in 2011: 18 States	Pending: 6 States + D.C.
Establish Exchange: 10 states California**, Colorado, Connecticut, Hawaii, Maryland, Nevada, Oregon, Vermont, Washington, West Virginia **Intent to Establish a State-Based Exchange: 4 states** Illinois, North Carolina, North Dakota and Virginia	Alabama, Alaska*, Arizona, Arkansas, Georgia, Indiana, Iowa*, Maine*, Minnesota*, Missouri, Montana, New Hampshire*, New Mexico, North Dakota (special session), Oklahoma*, Rhode Island*, South Carolina*, Texas	District of Columbia, Michigan, New Jersey, New York, North Carolina, Pennsylvania, Wisconsin

*Indicates that it is a 2011-2012 carry over state and the bill may be reintroduced in the 2012 legislative session.

** California was the only state to pass exchange establishment in 2010.

Other Action

Massachusetts and Utah passed laws prior to the enactment of the Affordable Care Act in March 2010.

Executive Branch action was taken in the following states: Alabama, Arkansas, Arizona, Delaware, Georgia, Indiana, Iowa, Kansas, Minnesota, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, and Wisconsin.

For more information, see: "State Actions to Implement Health Insurance Exchanges", http://www.ncsl.org/IssuesResearch/Health/StateActionstoImplementtheHealthBenefitExch/tabid/21388/Default.aspx#Executive_Actions. Information updated November 2011.

State	Exchange Grants	Notes/S tatus as of Nov. 2011 (NCSL & other sources)
Alabama	$1,000,000	
Alaska	$0	Governor elected not to apply
Arizona	$997,670	Application for Level 1 grant submitted
Arkansas	$1,000,000	
California	$40,421,383	
Colorado	$999,987	
Connecticut	$7,684,783	
Delaware	$1,000,000	
District of Columbia	$9,200,716	
Florida	$0	Governor returned $1 million planning grant
Georgia	$1,000,000	
Hawaii	$1,000,000	
Idaho	$1,000,000	Application for Level 1 grant submitted
Illinois	$6,128,454	
Indiana	$7,895,126	
Iowa	$1,000,000	Application for Level 1 grant submitted
Kansas	$1,000,000	Governor returned $32 million Early Innovator grant
Kentucky	$8,670,830	
Louisiana	$998,416	Does not intend to develop State Exchange
Maine	$1,000,000	Application for Level 1 grant submitted
Maryland	$34,413,430	
Massachusetts	$36,591,333	
Michigan	$999,772	Application for Level 1 grant submitted
Minnesota	$5,168,071	
Mississippi	$21,143,618	
Missouri	$21,865,716	
Montana	$1,000,000	
Nebraska	$1,000,000	
Nevada	$5,045,076	
New Hampshire	$1,000,000	Legislature passed law directing Commissioner of Insurance to refuse $666,000 in Exchange planning grant funds
New Jersey	$1,000,000	
New Mexico	$1,000,000	Application for Level 1 grant submitted
New York	$39,206,330	
North Carolina	**$13,396,019**	**Planning grant and Level 1 grant awarded**
North Dakota	$1,000,000	
Ohio	$1,000,000	
Oklahoma	$1,000,000	Governor returned $54 million Early Innovator grant
Oregon	$58,065,907	
Pennsylvania	$1,000,000	
Rhode Island	$6,240,668	Application for Level 2 grant submitted
South Carolina	$1,000,000	
South Dakota	$1,000,000	
Tennessee	$1,000,000	Application for Level 1 grant submitted
Texas	$1,000,000	
Utah	$1,000,000	
Vermont	$1,000,000	Application for Level 1 grant submitted
Virginia	$1,000,000	
Washington	$23,938,956	
West Virginia	$10,667,694	
Wisconsin	$38,757,193	
Wyoming	$800,000	
Total: 48 States and D.C.	**$423,298,651**	

Source for grant amounts:
http://www.ncsl.org/default.aspx?TabId=21994