



Affordable Care Act: **Web Portal, Pre-Existing Condition Insurance Plan & Health Insurance Exchanges**

Web Portal

The Affordable Care Act includes a provision establishing an internet portal to help individuals and small businesses identify insurance options in their state prior to 2014 when the health insurance exchanges are operating. The internet portal is intended to help individuals determine if they may be eligible for existing public programs and provide information about private insurance plan options. On July 1, 2010, the Department of Health and Human Services (HHS) launched the first version of the web portal and on October 1, 2010 the web portal was enhanced to provide more detailed pricing and benefit information on private insurance plans and additional information about public plan options. For more information about the web portal, see <http://www.hhs.gov/ociio/gatheringinfo/factsheet.html> and <http://www.healthcare.gov/>.

Grants to help individuals navigate health and long-term care options

In September 2010 HHS granted \$68 million in funding to states, territories, tribal and community-based organizations so they can help seniors and individuals with disabilities and their caregivers understand their options for health and long-term care. For more information, see: <http://www.hhs.gov/news/press/2010pres/09/20100927a.html>

Pre-Existing Condition Insurance Plan (PCIP)

Beginning in 2010, individuals with pre-existing medical conditions who have not had health insurance coverage for the past six months can apply for coverage through a temporary high-risk pool program funded by the federal government, called the Pre-Existing Condition Insurance Plan (PCIP) program.

States have the option to run the program themselves, but the Department of Health and Human Services operates the program in states that have chosen not to administer the program. The PCIP offers eligible individuals coverage until 2014, when insurers will not be permitted to deny coverage to any individual based on pre-existing health conditions, the state-based health insurance exchanges are established and Medicaid coverage is expanded. For more information about the PCIP, see <https://www.pcip.gov/>

Health Insurance Exchanges

State-based health insurance exchanges are essentially regulated insurance marketplaces where individuals without employer-sponsored health insurance can purchase coverage or small businesses can obtain coverage for their employees. The health insurance exchanges will be established in 2014 when

nearly all U.S. citizens and legal residents will be required to have qualifying health insurance coverage or they will have to pay a tax penalty.

States can decide to create a single exchange that serves both individuals and small businesses, or offer coverage options through separate entities, or partner with another state or states to operate a regional exchange. Like the PCIP program, the federal government will operate the exchange in states that elect not to run the program. The exchanges for individuals will be called the American Health Benefit Exchanges and the Small Business Health Options Program (SHOP) exchanges will be for small businesses with up to 100 employees to purchase coverage for their employees.

There will be premium tax credits for individuals and families with incomes between 133-400% FPL based on a sliding income scale to help them purchase coverage through the exchanges, as well as cost-sharing subsidies for individuals and families with incomes between 100-400% FPL based on a sliding income scale to help pay for high out-of-pocket medical costs. Initially the exchanges will primarily serve individuals purchasing coverage on their own and small employers, although in 2017 states will have the option to allow larger employers to participate.

The law requires that individuals should not have to submit separate applications for Medicaid and the exchanges; therefore there are numerous details that remain to be decided in terms of coordinating information between the two systems. In October 2010, NACo responded to HHS' request for comments on designing health insurance exchanges, which are available here:

http://admin.naco.org/programs/csd/Documents/Health%20Reform%20Implementation/NACo%20Comments%20Planning%20and%20Establishment%20of%20State-Level%20Exchanges%2010-04-2010_Final.pdf

Additional information about Health Insurance Exchanges

General information from www.healthcare.gov, the official U.S. government website on the Affordable Care Act, about state-level health insurance exchanges to be created in 2014:

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

States receive funding for planning for state-based health insurance exchanges

In July 2010, the Department of Health and Human Services (HHS) announced the availability of \$51 million in funding for states (up to \$1 million per state) to assist states with efforts to plan for the development of state-level health insurance exchanges in 2014. In September 2010, HHS awarded nearly \$49 million in the first round of grant funding to 48 states and the District of Columbia for their exchange planning efforts. For more information, see:

<http://www.hhs.gov/news/press/2010pres/09/20100930b.html>

Early Innovator Grants for States to Develop IT Systems for State Exchanges

In November 2010, HHS announced the availability of competitive funding for states to design and implement the information technology (IT) infrastructure needed to operate health insurance exchanges. Up to five states or coalitions of states that are in an advanced state of readiness will be eligible for funding to develop IT systems. The systems that are developed are expected to be used as models and examples of best practices by all states in their efforts to establish exchanges. The two-year grants will be awarded by February 15, 2011. Additionally, all states will be eligible to apply for a future funding opportunity to support ongoing exchange implementation, most likely to be announced in February 2011. For more information, see <http://www.hhs.gov/news/press/2010pres/10/20101029a.html>.

Federal Guidance and Financial Support for Exchange and Medicaid Information Technology Systems

In November 2010 HHS' Office of Consumer Information and Insurance Oversight (OCIIO) and the Centers for Medicare & Medicaid Services (CMS) recently released guidance and a notice of proposed rulemaking to provide federal direction and financial support to help states develop information technology systems to enroll individuals who qualify for Medicaid, CHIP, tax credits or cost-sharing reductions through the Affordable Care Act. The notice of proposed rulemaking proposes that Medicaid eligibility systems will potentially be eligible for an enhanced federal matching rate of 90 percent for design and development of new systems and a 75 percent federal matching rate for maintenance and operations if they meet certain performance standards, an increase above the 50 percent match rate currently available for these systems. Also, HHS issued initial guidance for states on the development of the exchanges. For more information on these items, see: <http://www.hhs.gov/news/press/2010pres/11/20101103a.html>.