

Progress Continues in Building Exchanges

Update: November 30, 2012

The Centers for Medicare & Medicaid Services (CMS) is working to build new health insurance marketplaces called Exchanges. Consumers and small businesses in every state (including the District of Columbia) will have access to a marketplace. All Exchanges will launch open enrollment in October 2013.

A Federally-facilitated Exchange (FFE) will operate in states that have chosen not to build their own Exchange. The Exchange developed by CMS will be easily adapted to meet the needs of any state that choose to utilize this model on a temporary or permanent basis. On May 16, 2012, CMS released guidance describing our approach to implementing an FFE. The FFE guidance that CMS has released can be found here: <http://cciio.cms.gov/resources/files/ffe-guidance-05-16-2012.pdf>

For all Exchanges, CMS is also building a tool called the Data Services Hub to help with verifying applicant information used to determine eligibility for enrollment in qualified health plans and insurance affordability programs. The hub will provide one connection to the common federal data sources (including but not limited to SSA, IRS, DHS) needed to verify consumer application information for income, citizenship, immigration status, access to minimum essential coverage, etc. CMS has completed the technical design, and reference architecture for this work, is establishing a cross-agency security framework as well as the protocols for connectivity, and has begun testing the hub. The hub will not store consumer information, but will securely transmit data between state and federal systems to verify consumer application information. Protecting the privacy of individuals remains the highest priority of CMS.

The FFE, like other Exchanges, will support the following operational functions:

Eligibility & Enrollment

CMS is establishing a system to determine consumer eligibility and a mechanism for consumers to enroll in a qualified health plan (QHP). The FFE will also assist in determining eligibility for Medicaid and the Children's Health Insurance Program (CHIP).

CMS has already released the elements of a streamlined, consumer-focused application that consumers in all states that choose to use it will complete starting in the fall of 2013. The application will help individuals and families identify various insurance affordability programs that may be available to help them get and pay for health insurance. The application elements that CMS has released can be found here: <http://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10440.html>. The next version will be posted for final comments in January.

CMS has completed and released the initial set of business service design documentation that describes the interactions with the Hub for eligibility verifications. CMS has been working with industry experts to define technical rules for enrollment transactions. The goal is to make eligibility determinations paper-free to the maximum extent possible.

Plan Management

All plans that health insurers want to offer in the Exchanges must be certified as a QHP. In the FFE, CMS will coordinate plan management activities with states, including QHP certification, monitoring and oversight, account management, and recertification. Health insurers will begin to submit their applications in April 2013 to be certified as QHPs for the 2014 coverage.

The application that these QHPs will use to become certified is near completion. CMS has worked with the National Association of Insurance Commissioners to standardize the collection of data needed to certify qualified health plans.

CMS has already released the data elements that insurance plans will need to integrate into this application. The application elements that CMS has released can be found here.

<http://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10433.html>

Small Business Health Options Program (SHOP) Application

The application for issuers to offer QHPs operating in the SHOP is being developed, as is the application for small employers that would like to provide coverage for their employees through the SHOP. CMS has already released the elements of the issuer application for SHOP. The application elements that CMS has released can be found here: <http://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing-Items/CMS-10439.html>

Financial Management

CMS has outlined the parameters for managing payment processing across entities. These proposed payment parameters can be found here:

<http://cciio.cms.gov/resources/regulations/index.html#fm>

CMS has completed the initial design and will begin testing of a distributed data processing tool (Edge Server) to support risk adjustment and reinsurance analysis with issuers and States.

Consumer Support

CMS will provide consumer support to help purchasers of health insurance determine eligibility and apply for a plan through the Marketplace. CMS will fund a Navigator grant program in FFE states to provide consumers with fair, unbiased help with determining if they are eligible for tax credits, comparing QHPs, and the application process for health coverage. Training modules are under development and Navigator grants will be awarded in June 2013.

CMS will launch a website with chat capabilities and a 24 hour call center for the Exchange that consumers can use to identify and compare QHPs, check their eligibility for affordability programs to help them pay for coverage, and enroll in a QHP. As with all Exchanges, eligible consumers will be able to enroll in a QHP on line, over the phone, or in person at certain locations.

CMS is drawing on significant experience from the implementation of Medicare Part D and CHIP. Based on research and evidence, the education and outreach initiative is focused on ensuring that uninsured consumers have the support and information they need to access quality affordable health insurance for themselves and their families.

