

State Partnership Exchanges

February 2013

The Affordable Care Act (ACA) establishes a health insurance exchange in every state. Exchanges are new competitive marketplaces offering an array of comprehensive health insurance plans for eligible small businesses and individuals, some of whom may qualify for federal tax credits to help cover the cost of coverage. Each exchange will be operated either by the state as a State-based Exchange (SBE), or by the federal government as a Federally facilitated Exchange (FFE). States also have the option to engage in a partnership with the FFE, resulting in a State Partnership Exchange. The U.S. Department of Health and Human Services (HHS) — the federal agency charged with overseeing state development of exchanges as well as administering the Federally facilitated Exchange — has issued regulations, guidance and notices that define the standards and options for states pursuing a State Partnership Exchange.

A State Partnership Exchange is operated as an FFE with state assistance in performing certain designated partnership roles in Consumer Assistance and Plan Management. While many functions will be administered by HHS, a state has certain flexibility to customize the partnership to best meet the needs of its residents. This guide outlines partnership options and decision points for states. It is intended to aid state consumer advocates, policymakers, and other stakeholders involved in State Partnership Exchange implementation. It encompasses the following areas in which states have some degree of flexibility:

- Exchange establishment
- Consumer assistance
- Plan management
- Eligibility and enrollment
- Small Business Health Options Program (SHOP)
- Essential Health Benefits (EHB)
- Reinsurance

States interested in pursuing a State Partnership Exchange must submit an Exchange Blueprint¹ to HHS for approval. The Blueprint outlines the required elements for which a state must demonstrate established policies and operational readiness. States seeking to operate in a State Partnership Exchange in 2014 are required to submit their Blueprint by February 15, 2013; states that decline operating an SBE or State Partnership Exchange in 2014 may apply to do so for a subsequent year. Several states have already committed to a State Partnership Exchange for 2014² and are finalizing many of these policy decisions as part of their ongoing implementation activities. Such information may provide useful examples to other states as they consider how to design and structure their role in a State Partnership Exchange and how to address the many decision points outlined in this guide.

¹ [Blueprint for Approval of Affordable State-based and State Partnership Insurance Exchanges.](#)

² See [Status of State Health Insurance Exchange Implementation](#) (Center on Budget and Policy Priorities).

How to Use This Guide

This guide summarizes the areas in which federal guidelines offer states flexibility to define certain aspects of the State Partnership Exchange. The guide, which will be updated periodically to reflect additional federal guidelines, requirements, and options, is intended as a tool for stakeholders to identify policy recommendations for each of these areas. State decision points arise from proposed, interim final, or final rules as well as guidance and other sub-regulatory notices issued by the federal government (see below). **In addition to state decision points, each section also includes policy questions highlighted in grey related to FFE functions in a State Partnership Exchange, that are expected to be decided by HHS.** These are areas in which state stakeholders may wish to make recommendations to HHS, or identify HHS's plans as it relates to implementation in the state. Unless otherwise noted, all regulatory requirements of SBEs apply to FFEs and State Partnership Exchanges, particularly regarding state responsibilities in Consumer Assistance and Plan Management under a partnership. Wherever possible, questions listed in this guide include citations to the corresponding regulation or subregulatory guidance.

Relevant Federal Rules and Subregulatory Guidance

Health Insurance Exchanges

- [Blueprint for Approval of Affordable State-based and State Partnership Insurance Exchanges](#)
- [Guidance on the State Partnership Exchange](#) (January 2013)
- [General Guidance on Federally-facilitated Exchanges](#) (May 2012)
- [45 CFR Parts 155, 156, and 157: Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers](#) (Final and Interim Final rule)
- [45 CFR Parts 153, 155, 156, 157 and 158: HHS Notice of Benefit and Payment Parameters for 2014](#) (proposed rule)
- [Frequently Asked Questions on Exchanges, Market Reforms and Medicaid](#) (December 10, 2012)
- [Actuarial Value Calculator with Continuance Tables](#) and [Actuarial Value Calculator Methodology](#)

Essential Health Benefits and Private Market Reform

- [Essential Health Benefits Bulletin](#) (December 2011)
- [FAQ on Essential Health Benefits Bulletin](#) (December 2011)
- [Additional Information on Proposed State EHB Benchmark Plans](#)
- [45 CFR Parts 147, 155, and 156: Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation](#) (proposed rule)
- [45 CFR Parts 144, 147, 150, 154 and 156: Health Insurance Market Rules; Rate Review](#) (proposed rule)

Reinsurance

- [Bulletin on the Transitional Reinsurance Program: Proposed Payment Operations by the Department of Health and Human Services](#)
- [45 CFR Part 153: Standards Related to Reinsurance, Risk Corridors and Risk Adjustment](#) (final rule)

Exchange Establishment

States interested in pursuing a State Partnership Exchange in 2014 may elect to partner in Plan Management via a State Plan Management Partnership Exchange, in Consumer Assistance via a State Consumer Partnership Exchange, or in both areas. States must submit their plan for a State Partnership Exchange in their Exchange Blueprint application by February 15, 2013, and must be operationally ready for the initial open enrollment period starting October 1, 2013. While the federal government will develop and manage much of the State Partnership Exchange infrastructure, states have the following organizational decisions:

Note: questions at the beginning of each section pertain to state decisions in a State Partnership Exchange, while questions shaded in gray are those under the purview of the FFE operating in the State Partnership Exchange.

Exchange Structure

1. **Exchange model:** which exchange model will the state select? (45 CFR § 155.100)
 - a. State-based Exchange (SBE);³
 - b. State Partnership Exchange (partnering role in a Federally facilitated Exchange); or
 - c. neither (i.e. Federally facilitated Exchange).
2. **Duration of State Partnership Exchange:** for how long does the state intend to operate in a State Partnership Exchange?
 - a. one year (2014) after which the state will transition to an SBE;
 - b. short term (one – two years) during which the state will evaluate whether or not to implement an SBE; or
 - c. undetermined.
3. **State Partnership Exchange functions:** which function(s) will the state perform in its State Partnership Exchange?
 - a. consumer assistance;
 - b. plan management; or
 - c. both plan management and consumer assistance.

Analysis

For additional analysis on state functions in a State Partnership Exchange, please see: [Exchange Implementation: To Partner or Not?](#) and [State Responsibilities in a Partnership Exchange](#) (Families USA, October 2012)

Governance and Stakeholder Engagement

4. **State oversight:** which state entity(ies) will be responsible for overseeing state Partnership functions?

³ For policy decisions related to State-based Exchange implementation, see [State Policy Decisions in Exchange Implementation – State-based Exchanges](#).

- a. Department of Insurance;
 - b. Medicaid Agency; and/or
 - c. other state agency(ies).
5. **Stakeholder consultation:** with what process and frequency will the state conduct stakeholder consultation? (§ 155.130)
6. **Advisory boards:** what formal advisory boards, if any, will the state establish to advise State Partnership Exchange implementation and operations (including, but not limited to, the following)?
- a. plan management;
 - b. consumer assistance;
 - c. eligibility and enrollment;
 - d. operations;
 - e. SHOP;
 - f. stakeholder-based (i.e. consumers, insurers, brokers, providers, etc); and/or
 - g. other.
- Analysis**

For additional analysis on principles in exchange establishment, please see: [Building a Consumer-Oriented Health Insurance Exchange: Key Issues](#) (National Academy for State Health Policy, March 2012)
7. **Advisory board structures:** how will the state structure the advisory board, including the following areas:
- a. role(s) of advisory board(s);
 - b. membership; and
 - c. duration (temporary or permanent).
8. **Federal governance or advisory board structures:** what, if any, governing or advisory bodies will the FFE operating in the State Partnership Exchange establish to oversee or advise its operations?

Exchange Operations

1. **Contracting functions:** with which eligible entities and for what functions, if any, will the state seek to contract? (§ 155.110)
- a. Medicaid agency;
 - b. Department of Insurance;
 - c. other state agencies;
 - d. local counties or city governments; and/or
 - e. private vendors.

Financing

1. **Exchange Establishment Grants:** for what specific functions(s) will the state seek Exchange Establishment Grant funding?
2. **Financing:** what funding from the state or other sources, if any, will be used to support the state's role in a State Partnership Exchange?
3. **Waste, fraud, and abuse monitoring:** how will the state exchange monitor for waste, fraud, and abuse?
4. **Financing model:** what financing model(s) will the FFE operating in the State Partnership Exchange use? (§ 155.160, § 156.50)
 - a. user fee/assessment on QHP premium revenue of QHP issuers;
 - b. user fee/assessment on premium revenue of all individual market and small group policies sold by QHP issuers; or
 - c. other.
5. **Financing notice to issuers:** how and when will the FFE operating in the State Partnership Exchange notify issuers of any assessment (if one is used)? (§ 155.160)
6. **Financing and exchange markets:** how will the FFE operating in the State Partnership Exchange apply any assessments to the individual exchange and SHOP exchange issuers?
 - a. uniform assessment on all issuers; or
 - b. different assessments on issuers in individual market and SHOP.

Additional Resources

[Health Insurance Exchanges Under the Patient Protection and Affordable Care Act \(ACA\)](#) (Congressional Research Service, January 2013)

[Strategies for a Robust Partnership or Federally Facilitated Exchange: Same Priorities, Different Targets](#) (Community Catalyst, November 2012)

[Health Insurance Exchange Models](#) (Community Catalyst, November 2012)

[Exchange Implementation Workplan](#) (State Health Reform Assistance Network, September 2012)

[Establishing Health Insurance Exchanges: Three States' Progress](#) (Commonwealth Fund, July 2012)

[State Health Insurance Exchange Laws: The First Generation](#) and [State Action to Establish Health Insurance Exchanges](#) (Commonwealth Fund, July 2012)

[State Milestones for ACA Implementation](#) and [Overview of Final Exchange Regulations](#) (State Health Reform Assistance Network, April 2012)

[State Progress Toward Health Reform Implementation: Slower Moving States Have Much to Gain](#) (Urban Institute, January 2012)

[Sustaining Support For Exchange Directors: Models, Options, and Lessons](#) (National Academy for State Health Policy, January 2012)

[Options for Governance and Oversight](#) (Families USA, April 2011)

[Health Insurance Exchange Basics](#) (National Academy for State Health Policy, February 2011)

[Designing an Exchange: A Toolkit for State Policymakers](#) (National Academy of Social Insurance, January 2011)

Consumer Assistance

State Consumer Partnership Exchange Option: states can pursue a State Consumer Partnership Exchange whereby the state has a role in overseeing certain aspects of consumer assistance activities. State Partnership Exchanges must provide a number of resources to assist consumers in evaluating and obtaining coverage, including outreach and education, a website, a call center, a premium calculator and direct assistance in the form of Navigators, In-person Assisters, and Certified Application Counselors. Additionally, exchanges have the option to incorporate a role for insurance agents and brokers, who function in the current commercial marketplace. In a State Partnership Exchange, most of these functions will be developed and managed by HHS as part of the Federally facilitated Exchange (FFE). However, states seeking a State Consumer Partnership Exchange will have flexibility in designing and managing certain aspects of these activities, including support for the federally administered Navigator Grant Program and management of an In-person Assistance Program in the following ways:

Note: questions at the beginning of each section pertain to state decisions in a State Partnership Exchange, while questions shaded in gray are those under the purview of the FFE operating in the State Partnership Exchange.

Outreach and Education

1. **Outreach and Education:** what, if any, outreach and marketing plans will the state develop to educate consumers regarding options for coverage and insurance affordability programs available in the State Partnership Exchange (subject to HHS approval)? (Guidance on the State Partnership Exchange, January 2013, p. 15)
2. **State-specific branding:** what, if any, branding will the state develop to tailor certain outreach, education, online, and consumer assistance aspects of the State Partnership Exchange? (Guidance, p. 16)

Consumer Assistance Tools

1. **Call center design:** how will the FFE operating in the State Partnership Exchange design its call center (including, but not limited to, the following elements)? (45 CFR § 155.205)
 - a. staffing and structure;
 - b. training and scope of responsibility;
 - c. policies and procedures; and
 - d. technology and equipment.
2. **Online Web Portal:** how will the FFE operating in the State Partnership Exchange structure the online webportal used by consumers to apply for and select QHP coverage?
3. **Plan selection tools:** what tools will the FFE operating in the State Partnership Exchange

Analysis

For additional analysis on plan selection tools, see: [Choice Architecture Design Decisions that Affect Consumers' Health Plan Choices](#) (Consumers Union, July 2012)

provide consumers to help evaluate health plan options? (§ 155.205)

Navigator Grant Program

HHS will establish and administer a navigator grant program for the FFE operating in a State Partnership Exchange, including designing a training program and awarding grantees. However the State Partnership Exchange will rely heavily on the state to support HHS's administration of the program, including day-to-day management and monitoring of Navigators. State responsibilities and options include:

1. **Support of the State Partnership Exchange Navigator program**: how will the state support and monitor aspects of the federally-administered navigator program, including Navigator adherence to the following standards established by the State Partnership Exchange? (Exchange Blueprint 13.3a and Guidance, p. 13)
 - a. training standards;
 - b. conflict of interest standards;
 - c. cultural and linguistic competency standards;
 - d. privacy and security standards; and
 - e. performance standards.
2. **Additional navigator training**: what training elements, in addition to those conducted by the State Partnership Exchange, will the state require of navigators? (Guidance, p. 13)
3. **Oversight of navigator training**: which entity will oversee the additional training (if any) of navigators?
 - a. Department of Insurance; and/or
 - b. other.
4. **Navigator eligibility criteria**: what eligibility criteria will the FFE operating in the State Partnership Exchange adopt for navigators? (§ 155.210)
5. **Navigator entities**: which entities will the FFE operating in the State Partnership Exchange permit to serve as navigators? (§ 155.210)
 - a. individuals;
 - b. organizations;
 - c. public entities; and/or
 - d. other.
6. **Navigator selection**: how will the FFE operating in the State Partnership Exchange select navigators, including, but not limited to, the following considerations?
 - a. number of and amount of awards;

- b. priority areas and/or target populations (individuals and/or small employers); and
 - a. application process and selection criteria.
2. **Navigator certification requirements:** what requirements, if any, will the FFE operating in the State Partnership Exchange include in a certification or licensing process for navigators? (§ 155.210)
 3. **Oversight of certification:** which entity will oversee certification (if any) of navigators? (§ 155.210)
 - a. FFE operating in the State Partnership Exchange;
 - b. vendor;
 - c. state/state agency; and/or
 - d. other.
 4. **Navigator training:** what will the FFE operating in the State Partnership Exchange include in the required training program for navigators assisting individuals seeking exchange coverage? (§ 155.210)
 5. **Navigator training availability:** what parts of the training program, if any, will the FFE operating in the State Partnership Exchange make available to other entities that wish to receive training but are not funded as Navigators? (§ 155.210)
 6. **Oversight of navigator training:** which entity will oversee training of navigators? (§ 155.210)
 - a. FFE operating in the State Partnership Exchange;
 - b. vendor;
 - c. state/state agency; and/or
 - d. other.
 7. **Navigator scope of work:** what specific functions and services will the FFE operating in the State Partnership Exchange require navigators to provide to individuals and small employers seeking exchange coverage? (§ 155.210)
 8. **Conflict of interest standards:** what conflict of interest standards will the FFE operating in the State Partnership Exchange develop and apply to navigators? (§ 155.210)
 9. **Navigator monitoring:** how will the FFE operating in the State Partnership Exchange oversee and monitor the performance of navigators? (§ 155.210)
 10. **Navigator payment:** how will the FFE operating in the State Partnership Exchange structure payments to navigator grantees (e.g. fixed grant amount, performance-based grant, a hybrid of both payment structures, etc.)? (§ 155.210)

Analysis

For additional analysis on developing a Navigator program, see: [Building on a Solid Foundation: Leveraging Current Programs and Infrastructure in Navigator Program Development](#) (State Health Reform Assistance Network, August 2012)

Analysis

For additional analysis navigators, see: [Help Wanted: Preparing Navigators and Other Assistors to Meet New Consumer Needs](#) (Families USA, December 2012)

11. **Display of navigator information:** how will the FFE operating in the State Partnership Exchange display information to consumers regarding the availability of navigators?

In-person Assistance Program

States pursuing a State Consumer Partnership Exchange must develop an In-person Assistance Program, separate and distinct from the FFE Navigator Grant Program, to ensure adequate capacity for consumer assistance. In-person Assisters will educate the public about coverage options and assist consumers in applying for and enrolling in exchange coverage. States are permitted to seek exchange establishment grant funding to support the program, and has flexibility in the following design and operational areas:

1. **In-person Assister eligibility criteria:** what eligibility criteria will the state adopt for in-person application assisters?
2. **In-person Assister entities:** which entities will be permitted to serve as in-person application assisters?
 - a. individuals;
 - b. organizations;
 - c. public entities; and/or
 - d. other.
3. **In-person Assister selection:** how will the state select in-person application assisters, including, but not limited to, the following considerations?
 - a. number of and amount of awards;
 - b. priority areas and/or target populations (individuals and/or small employers); and
 - c. application process and selection criteria.
4. **In-person Assister certification:** will the state create and apply a certification or licensing process for in-person application assisters?
5. **In-person Assister training:** what training elements, in addition to those established by the State Partnership Exchange, will the state require of In-person Assisters? (Guidance, p. 13)?
6. **In-person Assister scope of work:** what specific functions and services will in-person application assisters provide to consumers in the individual exchange and the SHOP?
7. **In-person conflict of interest standards:** what conflict of interest standards will the state develop and apply to in-person application assisters?

Analysis

For additional analysis on structuring outreach and consumer assistance see: [Key Issues to Consider for Outreach and Enrollment Efforts under Health Reform](#) (Kaiser Family Foundation, February 2012)

8. **In-person Assister monitoring:** how will the exchange oversee and monitor the performance of in-person application assisters?
9. **In-person Assister payment:** how will the exchange structure payments to in-person application assisters (e.g. fixed grant amount, performance-based grant, a hybrid of both payment structures, etc.)?
10. **Coordination with State Partnership Exchange Navigator Program:** how will the state coordinate activities and targeting of In-person Assisters with the FFE Navigator Program?
11. **Publicizing In-person Assister information:** how will the state publicize the availability of In-person Assisters and link interested consumers to services?

Analysis
For additional analysis on assisters, see: Filling in Gaps in Consumer Assistance: How Exchanges can use Assisters (Families USA, November 2012).

12. **Display of In-person Assister information:** how will the FFE operating in the State Partnership Exchange display information to consumers regarding the availability of in-person application assisters?
13. **Other application assistance:** what other entities, if any, will be permitted by the FFE operating in the State Partnership Exchange to provide application assistance to consumers?

Agents and Brokers

HHS has indicated that FFEs and State Partnership Exchanges will permit brokers to assist consumers to the extent permitted by the state. States can therefore determine whether or not agents and brokers are permitted to assist consumers in the State Partnership Exchange. While a state cannot establish specific broker standards as part of its State Partnership Exchange Blueprint application as it would if it were creating an SBE, it does have authority over licensing laws that apply to any broker working in any part of the state’s insurance market. States also have primary oversight and regulatory authority over broker performance, including those that may work with consumers in a State Partnership Exchange. State options include:

1. **Role of brokers:** which of the following roles will the state permit brokers to play in assisting consumers that seek coverage through the State Partnership Exchange? (§ 155.220 and Guidance, p. 14)
 - a. assist individuals in selecting and enrolling into a QHP;
 - b. assist individuals in applying for advance premium tax credits (APTC) and cost sharing reductions (CSRs);
 - c. assist employers in applying to and selecting plan(s) in the SHOP; and/or
 - d. no role.

2. **Agent and Broker standards:** what standards, if any, will the state add to existing agent and broker licensure laws or regulations regarding assistance to consumers in a State Partnership Exchange?
 - a. require brokers to display and facilitate enrollment into all QHPs available in the State Partnership Exchange regardless of appointments in the market outside the exchange;
 - b. add guidelines for brokers that assist individuals who are likely to be determined eligible for Medicaid or CHIP or who qualify for an exemption from the individual responsibility requirement;
 - c. require brokers to disclose any conflicts of interest or other financial arrangements with issuers to State Partnership Exchange consumers; and/or
 - d. other.

3. **Web-based brokers:** what standards in addition to federal requirements, if any, will the state establish regarding web-based brokers interested in serving consumers in a State Partnership Exchange? (§155.220)

Analysis
For additional analysis on agent and broker issues, see: Recommended Consumer Protections for Web-based Agents and Brokers Offering Exchange Coverage (Consumers Union, September 2012)

4. **Monitoring of broker activity:** how will the state monitor performance and compliance with federal and state standards for agents and brokers assisting consumers in the State Partnership Exchange?

5. **Web-based brokers:** what role and standards will the FFE operating in the State Partnership Exchange establish regarding web-based brokers interested in serving exchange consumers? (§155.220)

6. **Broker registration:** how will the FFE operating in the State Partnership Exchange administer broker registration?

7. **Broker training:** what will the FFE operating in the State Partnership Exchange include in the required training program for brokers assisting individuals seeking exchange coverage? (§ 155.220)

8. **Broker assistance to individuals that do not enroll in QHPs:** what requirements or standards, if any, will the FFE operating in the State Partnership Exchange apply to brokers that assist individuals who are likely eligible for Medicaid, CHIP or Basic Health (if applicable) or those who will not enroll in any coverage and/or may seek assistance obtaining an exemption from the individual responsibility requirement?

9. **Administering broker payments:** what entity will pay broker commissions?
 - a. QHP issuers;
 - b. FFE operating in the State Partnership Exchange
 - c. both entities; or
 - d. other.

10. **Broker enrollment responsibilities:** what conditions, if any, will the FFE operating in the State Partnership Exchange apply to brokers when they help consumers enroll into QHPs?
 - a. brokers must display all QHPs available on the State Partnership Exchange and facilitate enrollment into such plans;
 - b. brokers may restrict the display of (and limit enrollment into) QHPs offered by issuers with which the broker has appointments; or
 - c. other.

11. **Presentation of broker information:** how will the FFE operating in the State Partnership Exchange display registered brokers on the exchange website? (§ 155.220)

Additional Resources

[Top Ten Best Practices for State Reform Websites](#) (State Health Reform Assistance Network, November 2012)

[Recommended Consumer Protections for Web-Based Agents and Brokers Offering Exchange Coverage](#) (Consumers Union, September 2012)

[Navigators Need Not Be Licensed as Insurance Brokers or Agents](#) (Families USA, March 2011)

[Making Health Insurance Choices Understandable for Consumers](#) (Consumers Union, February 2011)

[Navigators: Guiding People Through the Exchange](#) (Community Catalyst, June 2011)

Plan Management

State Plan Management Partnership Exchange Option: states can pursue a State Plan Management Partnership Exchange whereby the state maintains a primary role in overseeing plan management functions for the State Partnership Exchange. The Affordable Care Act, the final rule on exchanges, and guidance on Partnership exchanges all include significant details about the federal standards that plans must meet in order to be certified as a QHP and offered in an exchange. These include providing coverage that meets certain actuarial values, covering the Essential Health Benefits, and adhering to requirements on premium rating standards, transparency, accreditations, premium rating areas and geographic service areas, among others. HHS will have final authority over all plan management decisions, including state recommendations on which plans to certify as QHPs. However, states in a State Plan Management Partnership Exchange can determine much of the specific standards and process for QHP certification and monitoring, including:

Note: questions at the beginning of each section pertain to state decisions in a State Partnership Exchange, while questions shaded in gray are those under the purview of the FFE operating in the State Partnership Exchange.

QHP Certification

- Oversight of QHP certification:** which entity will have primary responsibility for functions associated with the certification and monitoring of QHPs? (§ 155.1000)
 - Department of Insurance; and/or
 - other.
- Selecting plans in the best interest of consumers:** how will the state determine that a plan is “in the best interest of consumers?” (§ 155.1000)
- QHP certification process:** what process will the state use to determine recommendations on which plans should be certified as QHPs and offered in the State Partnership Exchange? (§ 155.1010)
 - certification of all plans that meet minimum QHP standards set forth by HHS;
 - certification of all plans that meet federal QHP standards and additional standards set by state;
 - selective contracting with several plans that meet QHP standards;
 - competitive procurement for plans that meet QHP standards, selected based on price, quality, and other/or factors;
 - require some or all insurers licensed in the state to offer QHPs in the individual and SHOP exchange markets;

Analysis

For additional analysis on Plan Management considerations, please see: [Plan Management: Issues for State, Partnership, and Federally Facilitated Health Insurance Exchanges](#) (Georgetown University Health Policy Institute, May 2012)

Analysis

For additional analysis on QHP certification options for states, please see: [Active Purchasing for Health Insurance Exchanges](#) (Georgetown University Health Policy Institute, June 2011)

- f. require that all individual and small group market plans be QHPs sold only through the exchange; or
 - g. other.
4. **QHP certification criteria:** what QHP certification criteria, if any, will the state develop in addition to minimum standards set in the final rule? (§ 155.1010)
 5. **State responsibilities in QHP certification:** what aspects of QHP certification will be performed by the state (all other portions of QHP certification will be conducted by the State Partnership Exchange)? (Guidance on the State Partnership Exchange, January 2013, p. 4)
 6. **QHP certification timeline:** what timeline will the state set for its responsibilities in QHP certification? (§ 155.1010)
 7. **QHP certification compliance monitoring:** how will the state monitor QHPs for ongoing compliance with certification criteria and report to the State Partnership Exchange when compliance actions are necessary? (§ 155.1010)
 8. **QHP certification criteria for State Partnership Exchange markets:** how will the state apply QHP certification criteria to the individual market and SHOP in the State Partnership Exchange? (§ 155.1010)
 - a. apply uniform criteria and process for both markets in the State Partnership Exchanges; or
 - b. establish different criteria and/or processes for the individual market and SHOP in the State Partnership Exchange.
 9. **QHP issuer participation in State Partnership Exchange markets:** what participation requirements, if any, will the state apply to issuers seeking QHP certification?
 - a. require QHP issuers to offer plans in both the individual market exchange and SHOP; or
 - b. permit QHP issuers to offer in one or both markets.
 10. **Geographic rating areas:** what standards will the state establish regarding geographic rating areas for plans sold in the individual and small group markets, including QHPs? (§ 147.102)
 - a. one rating area for the state;
 - b. multiple rating areas (up to seven) based on federal standards for geographic divisions; or
 - c. an alternate standard approved by HHS.
 11. **Geographic service areas:** what standards will the state establish regarding geographic service areas for plans sold in the individual and small group markets, including QHPs?
 - a. QHP issuers must offer QHPs throughout a state;

Analysis
For additional analysis on effective QHP certification standards,, please see: Consumer-Friendly Standards for Qualified Health Plans in Exchanges: Examples from the States (Families USA, January 2013)

- b. QHPs must be available throughout each geographic rating area where the issuer offers a QHP;
 - c. each issuer must offer a QHP in each geographic rating area where it offers a product outside the exchange;
 - d. QHP issuers may determine their own service areas; or
 - e. other
12. **Merging individual and small-group markets:** will the state merge the individual and small-group markets into a combined risk pool? (§ 155.705)
13. **Mitigating adverse selection between the exchange and outside markets:** what strategies, if any, will the state use to mitigate adverse selection between the State Partnership Exchange and the markets outside the exchange? (§ 155.1010)
- a. apply exchange QHP standards to all individual and small group market plans sold outside the exchange;
 - b. allow the sale of certain plans (such as catastrophic or other high deductible plans) only in the exchange;
 - c. require insurers in the individual and small group market inside and outside the exchange to sell plans at all coverage levels (Bronze, Silver, Gold etc.);
 - d. require QHP issuers to sell all exchange plans in the markets outside the exchange;
 - e. require all individual and small group issuers to participate in the exchange;
 - f. require that all individual and/or small group plans only be sold through the exchange;
 - g. establish policies that minimize or eliminate any incentive for brokers to steer individuals into or away from the exchange; and/or
 - h. other.
14. **Mitigating adverse selection among plans within the exchange:** what additional strategies, if any, will the state use to mitigate adverse selection among QHPs sold in the State Partnership Exchange?
- a. limit or prohibit insurer flexibility on benefits and cost-sharing;
 - b. require issuers to offer QHPs in all four precious metal levels within the exchange;
 - c. conduct strict monitoring of issuer plan design, marketing, and other potentially discriminatory practices beyond minimum federal standards; and/or
 - d. other.

Analysis
For additional analysis on how states can mitigate adverse selection for the exchange, please see: States Should Structure Insurance Exchanges to Minimize Adverse Selection (Center on Budget and Policy Priorities, August 2010)

Analysis
For additional analysis on how states can mitigate adverse selection between exchange QHPs, please see: States Should Take Additional Steps to Limit Adverse Selection Among Health Plans in an Exchange (Center on Budget and Policy Priorities, June 2011)

15. **Streamlining QHP Design Options and Offerings:** what level of standardization, if any, will the state require of issuers to streamline QHP offerings in the State Partnership Exchange?
 - a. require all QHPs to meet a standardized plan design for each metal level;
 - b. require QHP issuers to offer at least one standardized plan design for each metal level, and a limited number of non-standardized plan offerings;
 - c. require QHP issuers to offer at least one standardized plan design at certain metal levels (e.g. gold and silver, just silver etc) and a limited number of other plans at any metal level;
 - d. require QHP issuers to offer up to a limited number of plans at each metal level
 - e. require no limitations on QHP design and offerings; and/or
 - f. other.

Analysis
<p>For additional analysis on optimizing QHP options, please see: The Evidence Is Clear: Too Many Health Insurance Choices Can Impair. Not Help. Consumer Decision Making (Consumer's Union, October 2012)</p>

16. **State Partnership Exchange responsibilities in QHP certification:** what aspects of QHP certification will be performed by the FFE operating in the State Partnership Exchange (states can elect to perform certain portions of QHP certification)?
17. **State Partnership Exchange review of state QHP certification:** how will the FFE operating in the State Partnership Exchange review or adjust, if necessary, state recommendations on which plans to certify as QHP?

QHP Issuer Oversight and Monitoring

1. **QHP rate review:** with what process and timeline will the state conduct the review of QHP rates? (§ 155.1020)
2. **QHP transparency:** how will the state monitor and enforce transparency requirements for QHPs? (§ 155.1040)
3. **QHP marketing and benefit design review:** how will the state monitor and enforce requirements that QHPs not use marketing or benefit design strategies that discourage enrollment by individuals with significant health needs? (§ 156.225)
4. **QHP issuer accreditation:** what accreditation entity(ies) and with what timeline will the state set for QHP issuers to become accredited? (§ 155.1045)
5. **Network adequacy standards:** what standards and process will the state apply to ensure QHP network adequacy? (§ 155.1050, § 156.230)
6. **Essential Community Providers:** what standards and process will the state apply for ensuring

that Essential Community Providers are sufficiently included in every QHP? (§ 156.235)

7. **QHP service areas:** what process will the state use for setting or evaluating QHP service areas? (§ 155.1055)
8. **Issuer and plan data collection:** what system will the state use to collect relevant issuer and plan data for transmittal to the State Partnership Exchange? (Guidance, p. 10)
 - a. HHS Health Insurance Oversight System (HIOS);
 - b. NAIC System for Electronic Rate and Form Filing (SERFF); or
 - c. state-developed system (subject to HHS approval).
9. **QHP quality data reporting:** what quality data, if any, will the state require of QHP issuers (in addition to any quality data elements required by the State Partnership Exchange in 2016)
10. **QHP recertification:** what process, timeline and frequency will the state use to make recommendations on which QHPs the State Partnership Exchange should recertify? (§ 155.1075)
11. **QHP decertification:** what process will the state use to make recommendations on QHPs that are no longer in compliance with certification criteria and should be decertified by the State Partnership Exchange? (§ 155.1080)
12. **QHP data standards:** what standards will the FFE operating in the State Partnership Exchange develop regarding QHP data collection and ongoing reporting (commencing in 2016)?
13. **Appeals of QHP decertification:** what process will the FFE operating in the State Partnership Exchange use for QHP issuer appeals of decertification? (§ 155.1080)

Additional Resources

[Health Insurance Market Reforms: Rate Review](#) (Kaiser Family Foundation, December 2012)

[The Evidence is Clear: Too Many Choices Can Impair, Not Help, Consumer Decision Making](#) (Consumers Union, November 2012)

[Actuarial Value Under the Affordable Care Act: Plan Valuation with the Consumer in Mind](#) (Consumers Union, June 2012)

[Creating A Usable Measure Of Actuarial Value](#) (Consumers Union, January 2012)

[Mitigating Risk in a State Health Insurance Exchange](#) (Blue Cross and Blue Shield Foundation of Massachusetts, December 2011)

[Medicaid Managed Care: How States' Experience Can Inform Exchange Qualified Health Plan Standards](#) (Center for Health Care Strategies, November 2011)

[Selecting Plans to Participate in an Exchange](#) (Families USA, February 2011)

Eligibility and Enrollment

To obtain coverage through an exchange, individuals must apply and be determined eligible. Exchanges must provide an eligibility and enrollment process that is seamless and features a “no-wrong door” approach, which ensures that all individuals are screened for eligibility for all insurance affordability programs including Medicaid, the Children’s Health Insurance Program (CHIP) and advance premium tax credits (APTC) and cost sharing reductions (CSR). Individuals who are not seeking financial assistance must still apply to enroll in a QHP and show that they reside in the state, are not incarcerated and are US citizens or lawfully present immigrants. While State Partnership Exchange applicants will be served through the FFE eligibility and enrollment system, a number of state options and responsibilities remain to ensure a truly integrated and seamless experience, including:

Note: questions at the beginning of each section pertain to state decisions in a State Partnership Exchange, while questions shaded in gray are those under the purview of the FFE operating in the State Partnership Exchange.

Eligibility Determination and Enrollment Process

- Options for conducting eligibility determinations:** which option will the state select for conducting eligibility determinations for MAGI-based Medicaid/CHIP, to be coordinated with the State Partnership Exchange? (§ 155.302)
 - FFE operating in the State Partnership Exchange determines eligibility for QHPs/APTC/CSR as well as MAGI-based Medicaid/CHIP; or
 - FFE operating in the State Partnership Exchange determines eligibility for QHP/APTC/CSR; state Medicaid/CHIP agency(ies) determines eligibility for Medicaid/CHIP;
- Medicaid IT systems upgrade:** will the state pursue upgrades to its Medicaid eligibility and enrollment IT system using funding available from CMS?
- State-Federal IT systems interoperability:** how will the state ensure interoperability between its Medicaid eligibility and enrollment IT system and that of the FFE operating in the State Partnership Exchange coordinate eligibility determination between Medicaid/CHIP and exchange enrollees?
- Attestation as verification:** for which eligibility factors, if any, will the FFE operating in the State Partnership Exchange accept attestation as verification?
- Data sources for verification of eligibility factors:** which data sources (including state databases), if any, will the FFE operating in the State Partnership Exchange use to verify

Analysis

For additional analysis on eligibility and enrollment structure in a State Partnership Exchange, please see **the Appendix**.

eligibility factors? (§ 155.315)

6. **“Reasonable compatibility” standard:** how will the FFE operating in the State Partnership Exchange implement “reasonable compatibility” and resolve inconsistencies when the attestation and verified information differ in a way that could affect eligibility for insurance affordability programs?
7. **Threshold for report of changes in information:** will the FFE operating in the State Partnership Exchange apply a threshold for reporting changes? (§ 155.330)
8. **Report of changes in information:** will the FFE operating in the State Partnership Exchange make “additional efforts to identify and act on changes” that may affect eligibility for QHPs or insurance affordability programs (must meet same standards as for modification of verification methods)? (§ 155.330)

Analysis

For additional analysis on “reasonable compatibility” standards in eligibility and enrollment, please see: ["Reasonable" Flexibility: Exploring Models to Help States Resolve Inconsistencies in Income for Medicaid, CHIP and Tax Credit Eligibility](#) (National Academy for State Health Policy Webinar, July 2012)

Application Forms

1. **Non web-based applications:** how will the FFE operating in the State Partnership Exchange handle non-web based applications submitted via other means including but not limited to, the ones below? (§ 155.405)
 - a. mail (*required*);
 - b. telephone (*required*);
 - c. in-person (*required*);
 - d. mobile device/smart phone applications; and/or
 - e. other.

Notices

1. **Notice information:** what will the FFE operating in the State Partnership Exchange include in notices that are required to be sent to applicants and enrollees? (§ 155.230)
2. **Notification format:** how will the FFE operating in the State Partnership Exchange send notices to intended recipients? (§ 155.230)
 - a. electronic;
 - b. written; and/or
 - c. other.

Premium Payment

1. **Premium payment from qualified individuals:** how will the FFE operating in the State Partnership Exchange structure the collection of premium payments from qualified individuals (note: individuals must be permitted to have the option to pay premiums directly to QHP issuers)? (§ 155.240)
 - a. only QHP issuers will bill and collect premiums;
 - b. only the FFE operating in the State Partnership Exchange will bill and collect premiums on behalf of QHPs;
 - c. enrollees will have the option to receive bills from and make payments directly to QHP issuers or the FFE operating in the State Partnership Exchange;
 - d. FFE operating in the State Partnership Exchange will bill and collect first premium (to complete enrollment); QHP issuers will bill and collect all subsequent premiums; or
 - e. other.
2. **Premium payment process for qualified individuals:** if a FFE operating in the State Partnership Exchange permits premium payment from enrollees through the exchange, what process(es) will be used? (§ 155.240)
 - a. wire or electronic transfer (automated or per transaction);
 - b. mail (check, money order, or credit card);
 - c. in person (check, money order, credit card, or cash);
 - d. telephone (credit card); and/or
 - e. other.
3. **Payment from tribal nationals for qualified individuals:** will the FFE operating in the State Partnership Exchange permit tribal nations to make aggregated premium payments on behalf of a group of tribal members (with accompanying terms and conditions)? (§ 155.240)
4. **Grace period for qualified individuals:** what grace period for non-payment of premiums will the FFE operating in the State Partnership Exchange apply for enrollees who do not receive a subsidy? (§ 155.430)

Additional Resources

[State Experiences with Express Lane Eligibility: Policy Considerations and Possibilities for the Future](#) (National Academy for State Health Policy, December 2012)

[Eligibility and Enrollment Systems: An Advocate's IT Toolkit](#) (Georgetown Center for Children and Families, November 2012)

[Potential Roles for Safety Net Providers in Supporting Continuity Across Medicaid and Health Insurance Exchanges](#) (National Academy for State Health Policy, September 2012)

[Coordinating Human Services Programs with Health Reform Implementation](#) (Center on Budget and Policy Priorities, June 2012)

[Federal Requirements and State Flexibilities for Verifying Eligibility Criteria](#) (State Health Reform Assistance Network, May 2012)

[SHAP Enrollment and Eligibility Activities: Implications for Process and System Modernization under National Health Reform](#) (State Health Access Data Assistance Center, May 2012)

[Electronic Eligibility Verification for State Health Insurance Exchanges](#) (Health Management Systems, February 2012)

[The Ideal Application Process for Health Coverage](#) (Enroll America, February 2012)

[Building a Relationship between Medicaid, the Exchange and the Individual Insurance Market](#) (National Academy of Social Insurance, January 2012)

Small Business Health Options Program (SHOP)

Each exchange must establish a Small Business Health Options Program (SHOP) to provide coverage options for qualified small employers with at least one employee (i.e. a group of 2 or more) up to a total of either 50 or 100 employees (depending on the state's definition of small employer). The FFE operating in the State Partnership Exchange will administer the SHOP, which will allow employers to apply for coverage on an ongoing basis throughout the year and utilize uniform forms for employer application and employee enrollment. The State Partnership Exchange SHOP must also provide a premium calculator displaying the cost of various coverage options and provide a mechanism for collecting aggregated premium payment from employers. Although the majority of SHOP design elements will be determined by HHS, the state has a role in defining "small employer" and the opportunity to handle plan management responsibilities associated with SHOP QHPs described above (if a State Plan Management Partnership Exchange is selected).

Note: questions at the beginning of each section pertain to state decisions in a State Partnership Exchange, while questions shaded in gray are those under the purview of the FFE operating in the State Partnership Exchange.

1. **Small employer definition:** what maximum number of employees does the state include in its definition of a "small employer?" (§ 155.20)
 - a. 50; or
 - b. 100.

Analysis

For additional analysis on state options in structuring the SHOP Exchange, please see: [SHOPping Around - Setting up State Health Care Exchanges for Small Businesses: A Roadmap](#) (Center for American Progress and the Small Business Majority, July 2011)

2. **Employee choice options:** what option(s) will the FFE operating in the State Partnership Exchange make available to employers in terms of offering choice of plans for employees? (§ 155.705)
 - a. employers selects one plan tier (e.g. bronze, silver, gold, or platinum) from which employees can select a plan (*required*);
 - b. employer selects just one plan for all employees;
 - c. employer selects multiple plans within or across plan tiers from which employees can select a plan; and/or
 - d. employer makes all plans in the SHOP exchange available to employees.
3. **Merging markets:** will the FFE operating in the State Partnership Exchange merge the individual and SHOP markets into a combined risk pool or maintain separate pools? (§ 155.705)
4. **Minimum participation:** what, if any, minimum participation rate will the FFE operating in the State Partnership Exchange require of Qualified Employers seeking coverage through the SHOP? (§ 155.705)

5. **FF-SHOP QHP rate changes:** with what frequency will the FFE operating in the State Partnership Exchange permit issuers to change FF-SHOP QHP rates? (§ 155.705)
 - a. monthly;
 - b. quarterly; or
 - c. annually.
6. **FF-SHOP premium calculator:** how will the FFE operating in the State Partnership Exchange design the premium calculator for Qualified Employers and Qualified Employees? (§ 155.705)
7. **Enrollment timeline:** what timeline and process will the FFE operating in the State Partnership Exchange set for Qualified Employers to apply, make plan selections, and enroll in FF-SHOP QHPs? (§ 155.720)
8. **Grace period:** what grace period for non-payment of premiums will the FFE operating in the State Partnership Exchange apply for Qualified Employers and Qualified Employees? (§ 155.720)
9. **Reconciliation of enrollment information:** how frequently will the FFE operating in the State Partnership Exchange reconcile enrollment and employer information with issuers (HHS rules require no less than monthly)? (§ 155.720)
10. **Annual employer election period:** for what period of time and at what point will the FFE operating in the State Partnership Exchange provide Qualified Employers the opportunity to select plan options for the subsequent plan year (must be for at least 30 days, commencing no later than 30 days in advance of the end of the current plan year)? (§ 155.725)
11. **SHOP employer and employee eligibility appeals process:** how will the FFE operating in a State Partnership Exchange structure its process for handling employer and employee appeals of SHOP eligibility determinations? (§ 155.740)

Additional Resources

[Making California's new healthcare exchange work for small businesses](#), Small Business Majority (February 2012)

[Employers And The Exchanges Under The Small Business Health Options Program: Examining The Potential And The Pitfalls](#) (Timothy S. Jost, Health Affairs, February 2012)

[How will the Affordable Care Act affect small businesses and their employees?](#) (Kaiser Family Foundation, January 2012)

[Small-Employer \("SHOP"\) Exchange Issues](#) (Institute for Health Policy Solutions, May 2011)

[Building Successful SHOP Exchanges: Lessons from the California Experience](#) (Pacific Business Group on Health, 2011)

Essential Health Benefits

The Affordable Care Act requires that all plans sold in a state's individual and small group markets (including all QHPs sold through an exchange) cover the Essential Health Benefits (EHB). The EHB include the following ten broad benefit categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care.

Analysis

For additional information on state considerations on the Essential Health Benefits designation, please see: [Essential Health Benefits: Building a Better Benchmark](#) (Center on Budget and Policy Priorities, April 2012)

Although the Secretary was required by the ACA to establish a uniform EHB standard to apply to all states, HHS has partially delegated this responsibility to the states. Under this approach, states were required to select an EHB base-benchmark plan from among 10 possible reference plans and submit their selection to HHS by October 2012, with an opportunity to amend or update their selection by December 26, 2012. States that failed to make an affirmative selection will have a default plan designated as the EHB. The EHB benchmark provides detail on the specific services and any benefit limits that will be covered under each of the ten categories listed above. States are responsible for funding the cost of any state mandated benefits if such benefits are not included in the selected EHB benchmark plan.

Because the EHB designation applies not only to exchange QHPs but to all individual and small group plans sold in the state, a state's responsibility to select a benchmark is not contingent upon establishing a State-based Exchange. State Partnership Exchange states have the following considerations regarding the EHB:

1. **EHB base-benchmark selection:** which of the following permitted options is the state selection for its EHB base-benchmark? (45 CFR § 156.100)
 - a. the largest plan by enrollment in any of the three largest small group insurance products in the state's small group market;⁴
 - b. any of the largest three state employee health benefit plans by enrollment;
 - c. any of the largest three national FEHBP plan options by enrollment; or
 - d. the largest insured commercial non-Medicaid Health Maintenance Organization (HMO) operating in the State; or

⁴ See [Essential Health Benefits: List of the Largest Three Small Group Products by State](#).

- e. none (the state's benchmark defaulted to the largest plan by enrollment in the largest small group product in the state).
2. **Supplementing the EHB benchmark for missing benefits**: if a required benefit category was missing from the chosen base-benchmark plan, from which other benchmark plan(s) and by what process did the state supplement the missing benefit category or categories (a state may select a small group plan as its benchmark and then allow HHS to supplement any missing benefit categories)? (§ 156.110)
3. **Defining the habilitative services category**: if the EHB base-benchmark plan does not include coverage for habilitative services, how will the state define this benefit category? (§ 156.110 and § 156.115)
 - a. specify the habilitative services plans must cover;
 - b. allow issuers to cover habilitative services at parity with rehabilitative services; or
 - c. allow each issuer to decide which habilitative services their plans will cover.
4. **Issuer benefit substitution**: what standards or limitations, if any, will the state adopt regarding issuer substitution of benefits/benefit design flexibility within each EHB category? (§ 156.115)
 - a. prohibit substitution of benefits;
 - b. set guidelines for or limitations on the types of benefits and/or the extent to which benefits may be substituted within a category;
 - c. specify certain, limited benefit substitutions that issuers could choose to make; or
 - d. place no guidelines or limitations on issuer substitution of benefits within a category.

Additional Resources

[Digging in to Benchmark Plan Details](#) (National Academy of State Health Policy, updated January 2013)

[Essential Health Benefits. States will determine the minimum set of benefits to be included in individual and small group insurance plans. What lies ahead?](#) (Health affairs, April 2012)

[State Benefit Mandates and National Health Reform](#) (National Institute for Health Care Reform, February 2012)

[Drug Coverage in Essential Health Benefits Benchmark Plans: Formulary Analysis](#) (Avalere Health, January 2012)

Reinsurance

The Affordable Care Act establishes several mechanisms to limit the risk of adverse selection and encourage insurers to compete based on price and quality, rather than on their ability to encourage enrollment by healthier-than-average individuals and discourage enrollment by those in poorer health. These risk mitigation strategies — risk adjustment, reinsurance and risk corridors — will play a critical role in stabilizing the individual and small group markets when the market reforms take effect in 2014 and ensuring the long-term viability of the exchanges. Under a State Partnership Exchange, state flexibility is only provided for one of these strategies: reinsurance.

Reinsurance

1. **Administration**: which entity will administer reinsurance in the state? (§ 153.210)
 - a. federal government; or
 - b. state.
2. **Management**: if administering reinsurance, which entity will the state use to manage the program? (§ 153.200)
 - a. non-profit established by state; or
 - b. non-profit with which the state contracts.
3. **Supplemental program**: if administering reinsurance, will the state establish a supplemental reinsurance program with additional contributions and payments to complement the federal program? (§§ 153.100 and 153.110)
 - a. add-on fee for all entities required to make reinsurance contributions;
 - b. fee on all individual market issuers;
 - c. fee on all issuers in individual and small group markets; and/or
 - d. other.
4. **Collection of additional contributions**: if establishing a supplemental program, what contribution methodology will it use to finance additional payments and administrative costs? (§ 153.220)
 - a. federal methodology; or
 - b. state methodology.
5. **Additional payment methodology**: if establishing a supplemental program, what methodology will the state use? (§ 153.230)
 - a. federal formula; or
 - b. state formula (change to attachment point, reinsurance cap and/or coinsurance).

Additional Resources

[Analysis of HHS Final Rules On Reinsurance, Risk Corridors And Risk Adjustment](#) (Wakely Consulting Group, April 2012)

[Risk Adjustment and Reinsurance: A Work Plan for State Officials](#) (State Health Reform Assistance Network, December 2011)

Appendix: Options for Managing Eligibility Determinations of Insurance Affordability Programs⁵
State Partnership Exchange

	Medicaid/CHIP Initial Assessment⁶	Medicaid/CHIP Eligibility Determination⁷	QHP/APTC/CSR Eligibility Determination
FFE operating in the State Partnership Exchange determines eligibility for all insurance affordability programs	N/A	FFE operating in the State Partnership Exchange & Medicaid Agency	FFE operating in the State Partnership Exchange
FFE operating in the State Partnership Exchange determines eligibility for QHP and tax credits and screens for Medicaid/CHIP eligibility, Medicaid agency retains control of Medicaid and CHIP final determinations	FFE operating in the State Partnership Exchange	Medicaid Agency	FFE operating in the State Partnership Exchange

Abbreviations

APTC	Advance Premium Tax Credits
CHIP	Children’s Health Insurance Program
CSR	Cost-Sharing Reductions
FFE	Federally facilitated Exchange
HHS	U.S. Department of Health and Human Services
QHP	Qualified Health Plan

⁵ Insurance Affordability Programs is defined as Medicaid, CHIP, Exchange QHPs, APTC/CSR, and the Basic Health Program (if applicable). If the Basic Health Program is adopted by the state, eligibility for that program may be integrated with the eligibility and enrollment process for either Medicaid/CHIP or the Exchange, if separate.

⁶ In states in which Medicaid and Exchange eligibility is under separate oversight, the State Partnership Exchange must conduct an initial Medicaid/CHIP assessment and refer applications to the Medicaid/CHIP entity.

⁷ Medicaid and CHIP determinations may be overseen by the same agency or separate agencies depending on whether or not the states operates CHIP under a separate agency that independently makes CHIP determinations. For the purposes of this chart, it is assumed that eligibility is performed by the same agency (“Medicaid Agency”).