

Legislation to create a Health Insurance Exchange has been proposed in Mississippi for several years. Through the federal Affordable Care Act (ACA), grants have been made available to states to develop state-based Exchanges, alternatives to a federally run Exchange. This issue brief summarizes a report by the Center on the current status of Mississippi's Exchange.

## What is a "Health Insurance Exchange"?

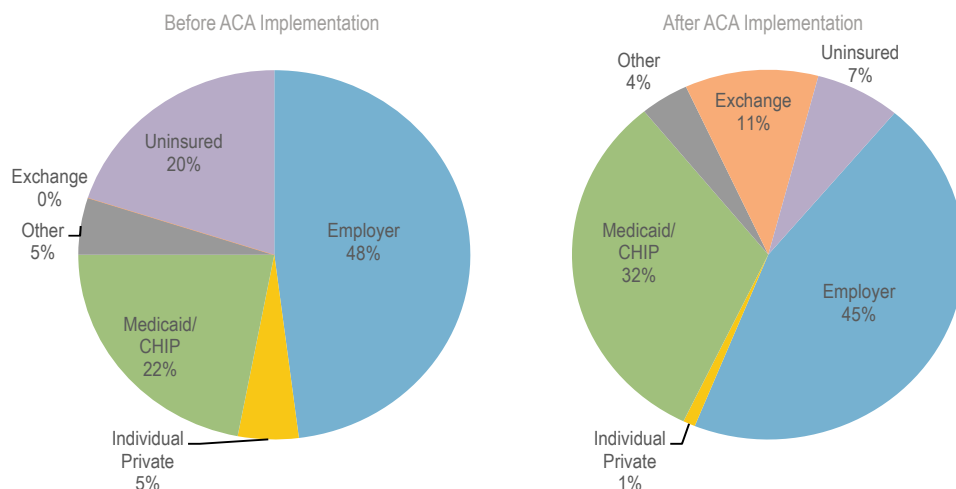
Exchanges are intended to:

- Provide for greater choice and value for individuals and small businesses that need to purchase health insurance
- Present information about health plans in a standardized and simplified way to assist consumers in decision-making
- Facilitate enrollment in both public and private health insurance benefit programs

The proposed regulations released by the United States Department of Health and Human Services (HHS) in July 2011 outlined broad requirements for Exchange implementation and operation. There are two types of Exchanges: one for individuals seeking to purchase individual and family health insurance coverage, and one for small businesses known as the "Small Business Health Options Program" (SHOP). Mississippi can choose to operate these entities separately, or to combine the markets into one Exchange with shared administration, overhead, and risk pool.

### SHIFTS IN COVERAGE PROJECTED FOR MISSISSIPPI

Approximately 434,500 Mississippians aged 19-64 were without health insurance in 2010. Depending on their income, some of these individuals may be eligible for premium tax credits to lower the cost of insurance purchased through the Exchange.

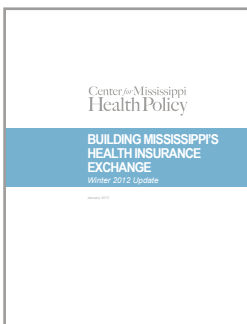


Source: An Overview of Health Reform (2010). Center for Mississippi Health Policy and Georgia Health Policy Center. Retrieved from: [http://www.mshealthpolicy.com/documents/MSOverviewFinal\\_PRINT.pdf](http://www.mshealthpolicy.com/documents/MSOverviewFinal_PRINT.pdf)

## ■ Mississippi Moving to Establish a State-Based Health Insurance Exchange

Mississippi is moving forward to establish a state-based Health Insurance Exchange by the HHS deadline of January 1, 2014. The Mississippi Insurance Department has applied for and received federal grants to fund the development of the state's Exchange. The Mississippi Comprehensive Health Insurance Risk Pool Association has taken steps to adapt its bylaws and rules of operation to meet federal guidelines to serve as the governing entity for Mississippi's Exchange. Changes in the composition of its board of directors may be necessary to comply with federal rules.

Approximately 275,000 Mississippians are anticipated to enroll in coverage through an Exchange once the ACA is fully implemented in 2014. Out of those expected to utilize Mississippi's Exchange, approximately 229,000 should be eligible for premium subsidies, which will be administered by the federal government in the form of tax credits. While there is not a universal mandate for businesses to provide coverage, a "shared responsibility fee" will be assessed on certain larger employers not offering "minimum essential coverage" by 2014. In 2010, approximately 70 percent of Mississippi private employers had fewer than 50 employees, which would exempt them from those penalties. That same year, less than 1 percent of businesses in Mississippi that had more than 50 employees did not offer some form of health coverage. While the state has made significant progress in laying the foundation for the Exchange, 2012 will be an important year for erecting the infrastructure. Key decisions made this year will determine the value of the Exchange for Mississippi's families and businesses for years to come.



A full-length report is available at  
the Center's website: [www.mshealthpolicy.com](http://www.mshealthpolicy.com)

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