



## **Health Insurance Exchange: “Level One” Establishment Award in Rhode Island**

**May 23, 2011**

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**Background:** The Patient Protection & Affordable Care Act (the ACA) requires states to implement a number of provisions intended to expand access to health insurance and improve the quality, comprehensiveness and affordability of coverage. Under this law, new health insurance marketplaces, called “Exchanges”, must be available in every state. By mid 2013, Rhode Island must have a fully functioning health insurance Exchange where all residents under 65 may identify health insurance options, assess affordability of existing coverage, and determine eligibility for purchase and enrollment through the Exchange. In September, 2010, Rhode Island received a \$1 million planning grant. The planning funds support the completion of a detailed strategic plan, financial sustainability model, and business plan for Rhode Island’s exchange, to be completed by the end of 2011.

**Purpose of the Level One Funds:** Rhode Island’s Exchange will require significant investment in information technology to support determining eligibility and facilitating enrollment in health insurance coverage for qualified individuals and small businesses. Therefore, some core implementation efforts must begin prior to completing the work of the planning grant. The “Level One” Establishment award will support the following implementation tasks:

- (1) **Develop the detailed technical and operational requirements for systems – including eligibility and enrollment (joint with Medicaid), web portal, financial, and data reporting - required to support the Exchange.** This work must be completed now, in tandem with the development of new information technology by the New England’s Early Innovator grant, so Rhode Island can effectively leverage the work of this regional collaboration.
- (2) **Design an integrated consumer assistance process.** Rhode Island must coordinate communication across state agencies and community organizations for all individuals and employers seeking information about insurance options before and after enrollment.
- (3) **Exchange start-up funds.** Pending legislative authority, this award will support core staffing costs and other start-up needs for Rhode Island’s Exchange.

**State Leaders:** Governor Lincoln Chafee established by Executive Order the Rhode Island Health Care Reform Commission, chaired by Lt. Governor Elizabeth Roberts, to address implementation of health reform under the ACA. The Commission’s Health Insurance Exchange Subcommittee engages stakeholders in the planning and implementation efforts. An interagency group, staffed by the Office of the Health Insurance Commissioner (OHIC), the Executive Office of Health and Human Services, and the Office of Lieutenant Governor Roberts, supports the work of the Health Insurance Exchange Subcommittee. OHIC is administering the “Level One” Establishment award; however, the activities of this award will be completed by the interagency group.

**Award amount:** \$5,240,668

**Timeframe:** June 2011 – May 2012

**Next steps:** Rhode Island will pursue “Level Two” Establishment funds to fully implement the state’s Exchange once there is sufficient legal authority and the planning efforts have been completed. We anticipate this application will be submitted to the US Department of Health and Human Services in September 2011.