

# Health Insurance Marketplaces:

An AAFP Background Brief on Marketplaces

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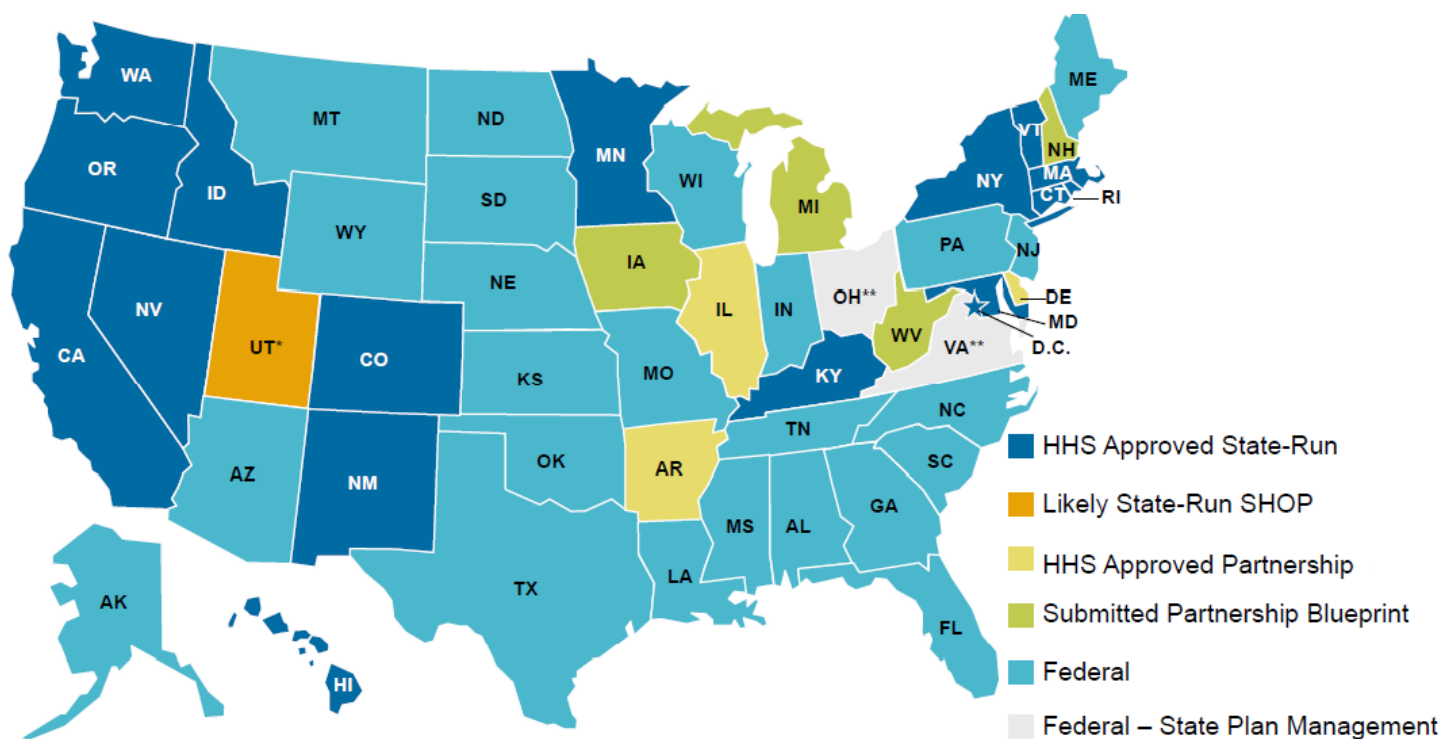


Image: Avalere 'State Reform Insights' February 2013

## What is a Health Insurance Marketplace?

The Affordable Care Act (ACA) creates new tools to ensure greater access to health insurance. Health Insurance Marketplaces will provide a comprehensive one-stop resource where consumers can research different insurance plans, access assistance and educational information, and ultimately purchase health insurance coverage. All Health Insurance Marketplaces must meet a series of [minimum requirements](#) established by ACA. Additionally, all insurance plans that participate in Health Insurance Marketplaces will be required to provide a minimum level of coverage known as the [essential health benefits](#). All Health Insurance Marketplaces will deploy individuals called Navigators, who will provide fair and unbiased assistance for consumers as they navigate their state Health Insurance Marketplace. States have three options as they establish Health Insurance Marketplaces.

## State-Based Health Insurance Marketplaces

*State-Based Marketplaces* will be operated by a state governmental agency (Department of Insurance, Department of Health, etc.) or by a non-profit entity established by the state. Because

states adopting this type of marketplace will have significant flexibility in their choices related to insurance plan selection, additional essential health benefit designation, and marketplace administration, these types of marketplaces will vary widely. States were required to decide whether they would operate a State-Based Marketplace no later than December 14, 2012. 18 states and the District of Columbia have declared the intent to operate a State-Based Marketplace. These states include California, Colorado, Connecticut, Hawaii, Idaho, Kentucky, Maryland, Massachusetts, Minnesota, Mississippi, Nevada, New Mexico, New York, Oregon, Rhode Island, Utah, Vermont, and Washington.

### **Partnership Health Insurance Marketplaces**

*Partnership Marketplaces* provide states with flexibility as they take on primary responsibility for marketplace activities through a partnership with the Department of Health and Human Services (HHS) or another state. States in a Partnership Marketplace can take on plan management activities, consumer assistance and outreach, or a combination of both. It is up to the discretion of states to determine the balance of responsibility among partners that best suits their marketplace model, so there will likely be significant variance across Partnership Marketplace states. States were required to decide whether they would operate a Partnership Marketplace no later than February 15, 2013. However, these states may decide to transition to a State-Based Marketplace in the future. 7 states have declared the intent to operate a Partnership Marketplace. These states include Arkansas, Delaware, Illinois, Iowa, Michigan, New Hampshire, and West Virginia.

### **Federal Health Insurance Marketplaces**

States that fail to set up a State-Based Marketplace or Partnership Marketplace by January 1, 2014, HHS will establish a *Federal Marketplace* in that state. This means that all plan management, consumer assistance and outreach, and eligibility and enrollment responsibilities will fall to HHS. The Center for Medicare and Medicaid Service (CMS) released [guidance](#) that proposes different approaches that may be implemented as HHS works with states in the Federal Marketplace and reaffirms that these states will have opportunities to transition into Partnership Marketplaces or State-Based Marketplaces in the future.

### **Navigator Program**

ACA requires that all Health Insurance Marketplaces establish a *Navigator Program*. Navigators will be individuals deployed by the marketplace to assist consumers with education, outreach, eligibility, and enrollment issues to facilitate a streamlined transition into new insurance coverage. Additionally, Navigators must have special expertise working with low-income populations, American Indian/Alaska Natives, people with disabilities, and individuals with limited English language proficiency.

### **Timeline for Health Insurance Marketplace Implementation**

December 14, 2012: Deadline for States to Declare State-Based Marketplace

February 15, 2013: Deadline for States to Declare Partnership Marketplace

April 2013: Health Insurers Begin to Submit Applications for Qualified Health Plan Certification

June 2013: Consumer Assistance Resources Become Available

October 2013: Open Enrollment in Health Insurance Marketplaces Begins

January 2014: Health Plan Coverage Begins

March 2014: Open Enrollment Ends