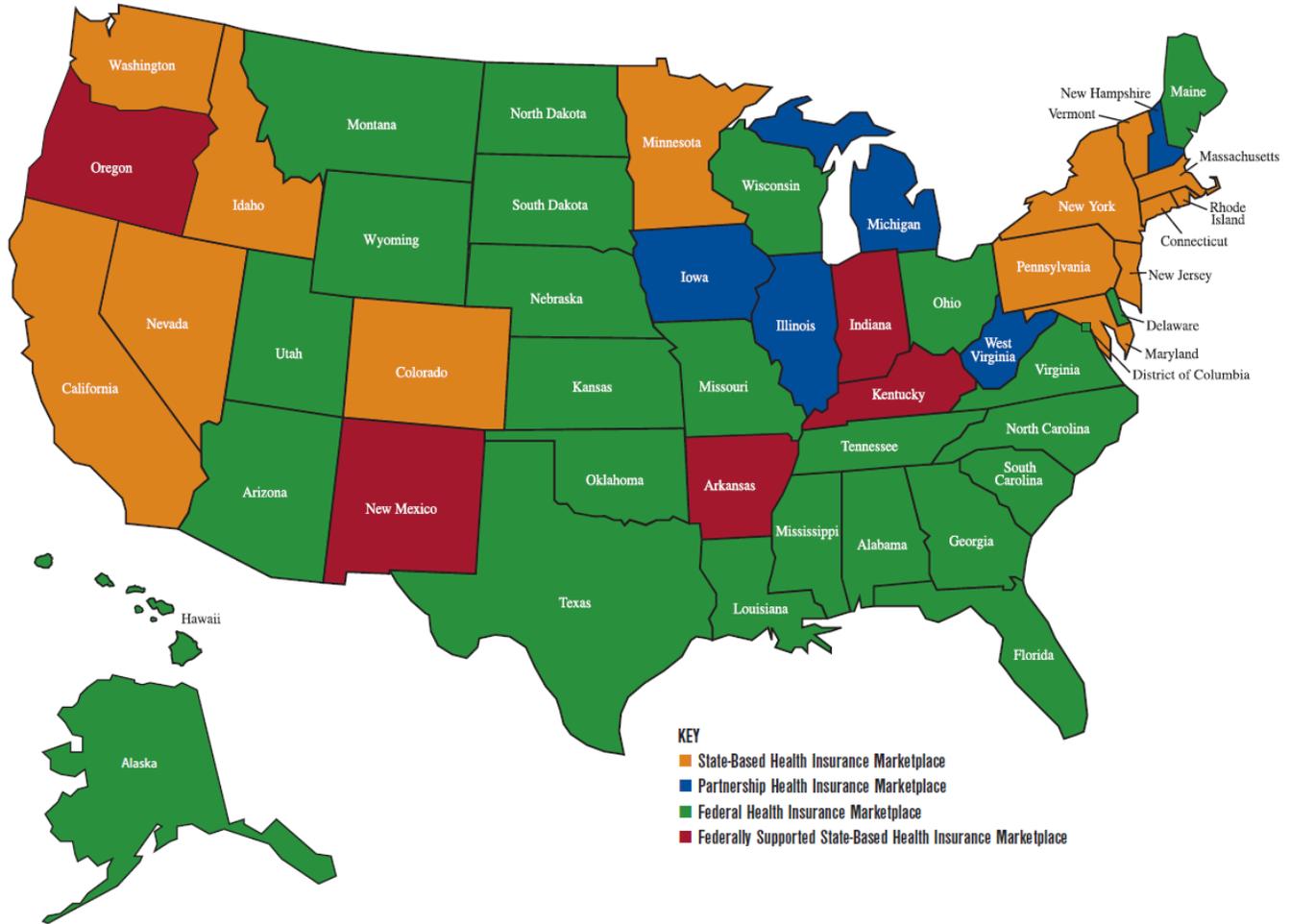




## HEALTH INSURANCE MARKETPLACES



The Affordable Care Act (ACA) introduced a number of reforms to ensure greater access to health insurance for all Americans. The ACA's Health Insurance Marketplaces provide a comprehensive one-stop resource for consumers to research insurance plans, receive assistance, and purchase health insurance coverage. Plans offered on the Marketplaces include coverage protections established under the ACA including nondiscriminatory coverage of individuals with pre-existing conditions, no lifetime coverage limits, and options for individuals to stay on their parent's plan until age 26. In addition, all Marketplace plans are required to provide minimum levels of coverage, known as [essential health benefits](#).

### Types of Marketplaces

States have been allowed significant flexibility in establishing their Health Insurance Marketplaces, broken into four categories listed below:

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### *State-Based Health Insurance Marketplaces*

A state governmental agency (Department of Insurance, Department of Health, etc.) or non-profit entity established by the state operates these marketplaces and has significant flexibility in its choices related to insurance plan selection, additional essential health benefit designation, and marketplace administration. Fourteen states (CA, CO, CT, ID, MD, MA, MN, NJ, NV, NY, PA, RI, VT, WA) and the District of Columbia operate State-Based Marketplaces.<sup>1</sup> Many of these states are broadly supportive of the ACA's goal of increased coverage and have aggressive outreach budgets and open enrollment periods that extend beyond the December 15 Federal Marketplace deadline to sign up for coverage. [New Jersey](#) and [Pennsylvania](#) became the latest two states to transition from Federal Health Insurance Marketplaces (see below) to State-Based Health Insurance Marketplaces, to be operational in January 2021.

### *Partnership Health Insurance Marketplaces*

Partnership Marketplaces involve cooperation between the states and the U.S. Department of Health and Human Services (HHS) to provide states with flexibility as they take on primary responsibility for marketplace activities. These states in a Partnership Marketplace can take on plan management activities, consumer assistance and outreach, or a combination of both, leading to significant variance in the structure of each individual Marketplace amongst the six states (DE, IL, IA, MI, NH, WV) operating Partnerships. States under this model have the option to transition to a State-Based Marketplace in the future.

### *Federally-Supported State-Based Health Insurance Marketplaces*

States with this type of Marketplace are responsible for performing all Marketplace functions but rely on the federally facilitated Marketplace information technology platform ([healthcare.gov](http://healthcare.gov)) to apply and enroll consumers in coverage. Four states (AR, KY, NM, OR) currently use a State-Based Marketplace that is Federally-Facilitated.

### *Federal Health Insurance Marketplaces*

States unable or unwilling to establish a State-Based or a State-Federal Partnership rely on HHS to operate their Marketplace management, consumer assistance and outreach, and eligibility and enrollment responsibilities. Due to a lack of interest in establishing State-Based Marketplaces, Federal Health Insurance Marketplaces operate in 26 states.

## **Navigator Program**

The ACA provides federal dollars to Navigator programs to assist consumers with education, outreach, eligibility, and enrollment issues to facilitate a streamlined transition into new insurance coverage through the Marketplace. 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.

In 2017 and 2018, CMS reduced Federal Navigator funding by 84 percent, with all states seeing a significant drop in their previous grant funding, making Navigator services difficult to find in some areas, and absent entirely in others. For the 2016-17 enrollment year, 104 Navigator programs existed to serve individuals enrolling in health benefits; that number had dropped to 40 by the 2018-19 plan year.<sup>2</sup> Those seeking assistance with Marketplace enrollment can find Navigators through the Federal Marketplace's [Local Assistance page](#).

*Updated: August 2019*

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<sup>1</sup> Centers for Medicare and Medicaid Services. (2017). "The Center for Consumer Information & Insurance Oversight." Web.

<sup>2</sup> Pollitz K, Tolbert J, Diaz M. (2018). "Data Note: Further Reductions in Navigator Funding for Federal Marketplace States." Kaiser Family Foundation. Web.