

From: DHHS/CMS/OA/CCIIO/Office of Health Insurance Exchanges
To: Office of Management and Budget
Re: Proposed Revision to Notice of Action: Blueprint for Approval of Affordable State-based Exchanges and State Partnership Exchanges (“Blueprint”) (OMB Control Number 0938-1172)

Date: November 6, 2012

Summary

The Affordable Care Act establishes Affordable Insurance Exchanges (Exchanges) to provide individuals and small business employees with access to health insurance coverage beginning January 1, 2014.¹ An Exchange is an entity that both facilitates the purchase of Qualified Health Plans (QHP) by qualified individuals and provides for the establishment of a Small Business Health Options Program (SHOP), consistent with Affordable Care Act 1311(b) and 45 CFR 155.20. Exchanges will provide competitive marketplaces for individuals and small employers to directly compare and purchase private health insurance options based on price, quality, and other factors. Exchanges are integral to the Affordable Care Act’s goal of prohibiting discrimination against people with pre-existing conditions and insuring all Americans.

The Affordable Care Act provides States with significant flexibility in the design and operation of their Exchange to best meet the unique needs of their citizens and their marketplace. States can choose to operate as a State-based Exchange, or the Secretary of the Department of Health & Human Services (HHS) will establish and operate a Federally-facilitated Exchange in any State that does not elect to operate a State-based Exchange. In a Federally-facilitated Exchange, the State may pursue a State Partnership Exchange, where a State may administer and operate Exchange activities associated with plan management and/or consumer assistance. States that elect to participate in a State Partnership Exchange will administer these functions in both the individual and the small group market.

Regulations implementing the Affordable Care Act require HHS to Approve or Conditionally Approve State-based Exchanges no later than January 1, 2013, for operation in 2014. In addition, the Affordable Care Act 1321(c)(1) (B)(ii)(I) directs the Secretary to make a determination regarding whether the State will operate reinsurance and/or risk adjustment programs or will use Federal government services for these activities. To receive HHS Approval or Conditional Approval for a State-based Exchange or a State Partnership Exchange, as well as reinsurance and risk adjustment programs², a State must complete and submit an Exchange Blueprint that documents how its Exchange meets or will meet all legal and operational requirements associated with the model it chooses to pursue. As part of its Exchange Blueprint, a State will also demonstrate operational readiness to execute Exchange activities.³ The Exchange Blueprint has two components: 1) a Declaration Letter declaring the proposed State Model; and 2) a Blueprint Application.

¹ Affordable Care Act 1311(b)(1)

² Additional requirements for Risk Adjustment will be provided in the HHS Notice of Benefit and Payment Parameters.”

³ 45 CFR 155.105, Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers, 77 FR 18310, 18446 (Mar. 27, 2012).

Currently, States seeking to operate a State-based Exchange or electing to participate in a State Partnership Exchange must submit a complete Exchange Blueprint no later than 30 business days prior to the required approval date of January 1 (November 16, 2012, for plan year 2014).

In the months following the publication of the Blueprint we have learned more about the business and operational decisions and flexibility available to States as they work to establish Exchanges. As a result we would like to change the Blueprint to expand the deadlines for both State-based Exchanges and State Partnership Exchanges to reflect changes in policy.

We do not anticipate that this amendment will result in a significant change in the burden to respondents. We are requesting that the PRA revision for this amendment be approved and issued by November 9th, 2012 so that States are aware of the extended deadlines prior to the current due date of November 16th, 2012.

Amendments

Amendments are needed around two issues:

- 1) Extending the Blueprint Application deadline to December 14th, 2012 for State-based Exchanges
- 2) Extending the Declaration Letter and Blueprint Application deadline to February 15th for State Partnership Exchanges.

(1) Extending Blueprint Application Deadline to December 14th, 2012 for State-based Exchanges

Currently, CClIO requires States seeking to operate a State-based Exchange to submit a Declaration Letter and a Blueprint Application by November 16th, 2012 (30 business days prior to the statutory deadline of January 1, 2013).

This amendment will maintain the current deadline of November 16th for Declaration Letters for State-based Exchanges and extend the application deadline for the Blueprint Application to December 14th, 2012. Extending the Blueprint Application deadline allows States seeking to be State-based Exchanges extra time to submit a more reflective and comprehensive Blueprint Application.

(2) Extending the Declaration Letter and Blueprint Application deadline to February 15th for State Partnership Exchanges.

This amendment will revise the Blueprint to extend the deadline for both the Declaration Letter and the Blueprint Application to February 15th, 2013.

Anticipated Burden Impact

The most significant change in this revision to the Blueprint extends the period of time

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during which CCIIO will accept Blueprint Applications and Declaration Letters. This does not have any effect on the burden to States for submitting this information.