

## Nebraska Health Benefit Exchange – Overview

The **purpose** of this Act is to provide for the establishment of a Nebraska Health Benefit Exchange to facilitate the purchase and sale of qualified health plans in the individual market in this State and to provide for the establishment of a small business health benefit exchange.

The **intent** of the Nebraska Health Benefit Exchange is to:

- Increase access to quality affordable health care coverage, reduce the number of uninsured persons in Nebraska, and increase the availability of health care coverage through the private insurance market to qualified individuals and small employers and through Medicaid to eligible uninsured;
- Provide affordable options for small businesses to purchase private health insurance for their employees;
- Provide consumer choice and portability of health insurance, regardless of employment status;
- Create transparent health insurance marketplace for Nebraskans to purchase affordable, quality health care coverage and to access available federal refundable premium tax credits and cost-sharing subsidies;
- Promote consumer education and empower consumers to compare plans and make informed decisions about their health care and coverage;
- Create a health insurance marketplace that competes on the basis of price, quality, service, and other innovative efforts; and,
- Integrate Medicaid eligibility to ensure administrative efficiency and seamless coverage for consumers.

### Establishment of the Exchange

- Established **within the Department of Insurance** for administrative and budgetary purposes.
- Shall **pursue available federal funding** for planning, implementation and operation of the Exchange and shall promulgate rules necessary to obtain federal recognition of the Exchange as a certified Exchange under the Federal Act.
- **May contract** with or enter into a memorandum of understanding with an eligible entity for any of its functions described in this Act.
  - Until January 1, 2015, the contracts entered into by the Exchange shall be exempt from state contracting requirements to provide flexibility and allow the governance board to meet tight, externally-imposed deadlines.
  - The Exchange remains responsible for ensuring that all Federal requirements related to contracted functions are met.

### Establishment of Governing Board – 11 members (8 voting, 3 ex officio non-voting)

- 8 members, appointed by the Governor, subject to the approval of the Legislature:
  - **3 Health care consumer advocates** – 1 from each Congressional district, appointed from a list of at least 5 individuals from each Congressional district submitted by the Exec Board.
    - Initial appointees serve full 4-year terms.
  - **1 Representative of Small Business**, appointed from a list of at least 5 individuals submitted by the Exec Board.
    - Initial appointee serves full 4-year term.
  - **2 Health care providers**, appointed from a list of 10 individuals submitted by the Health and Human Services Committee.
    - Initial appointees – One serves a 3-year term and the other serves 2-year term.
  - **1 Representative of Health Insurance Carriers**, appointed from a list of at least 5 individuals submitted by the Banking, Commerce, and Insurance Committee.
    - Initial appointee serves 2-year term.

- **1 Representative of Health Insurance Agents** (not captive agents), appointed from a list of at least 5 individuals submitted by the Banking, Commerce, and Insurance Committee.
  - Initial appointee serves 3-year term.
- **3 Ex officio, non-voting members:**
  - Director, Department of Insurance or designee.
  - Director, Div. Of Medicaid & Long-Term Care, DHHS or designee.
  - Director, Div. Of Children and Family Services, DHHS or designee.
- Lists of potential nominees must be submitted to the Governor by June 1, 2012.
- Board members must be appointed by the Governor by July 1, 2012.

**Powers and Duties of the Board** - The board shall:

- Hold regular public governing board meetings.
- Shall adopt bylaws, rules and policies of the governing board.
- Employ an executive director and other staff as necessary. The executive director shall serve at the pleasure of the governing board.
- Create an initial operational and financial plan for the Exchange through the end of 2014.
- Apply for planning and establishment grants made available to the Exchange pursuant to the Federal Act and apply for, receive, and expend other gifts, grants, and donations.
- Create technical and advisory groups as needed to advise and make recommendations to the board on issues related to the Exchange.
- Work with the Nebraska Department of Health and Human Services to ensure that the Exchange coordinates with Medicaid, CHIP, and any other applicable public programs.
- Work with the NE CHIP board of directors to create a plan to transition pool coverage recipients.
- Provide a written report, on or before December 1, 2012 to the Governor and the Legislature. Such report shall provide recommendations to:
  - Achieve financial sustainability of the Exchange;
  - Reduce the impact of adverse selection on the sustainability of the Exchange;
  - Ensure adequate number and choice of plans in the Exchange;
  - Establish a Navigator grant program;
  - Promote a seamless integration with the Medicaid program;
  - Create an appropriate commission or payment structure for brokers/agents;
  - Ensure the small business health benefit exchange will meet the needs and provide value to small businesses; and,
  - Create a public relations/outreach campaign.

**Provisions in the event of repeal or invalidation of the ACA:**

- Unless the Federal Act is repealed or is held to be unconstitutional or otherwise invalid or unlawful, on or before January 1, 2014, the functions and operations of the Exchange shall include at a minimum all functions required by the Affordable Care Act.
- In the event any portion of the Federal Act or any regulation or other guidance issued thereunder is legislatively or judicially invalidated and rendered of no effect in this state, the board shall issue a legal opinion as to the effect of such action on the legal status of this Act and also issue recommendations to the Legislature for amendments to this act necessitated by such judicial or legislative action.

**Funding**

Beginning in 2014, premium taxes used to fund NE CHIP Pool will be used to fund the exchange.