



Economic Affairs Interim Committee

62nd Montana Legislature

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July 8, 2011

To: Steve Larsen, Director, Center for Consumer Information and Oversight, DHHS
From: Economic Affairs Interim Committee of the Montana Legislature/Pat Murdo, staff
Re: Information Needed as Montana Studies Health Insurance Exchanges

The Economic Affairs Interim Committee of the Montana Legislature has been assigned a study of a health insurance exchange by the Montana Legislature's leadership body, the Legislative Council. House Joint Resolution No. 33 (<http://leg.mt.gov/bills/2011/billpdf/HJ0033.pdf>) passed both houses of the legislature earlier this year and directed that the committee study a state-based or regional-based health insurance exchange. All other bills proposing to create an exchange died in the 2011 session. One bill that passed both houses would have prevented creation of a state-based exchange under the Patient Protection and Affordable Care Act. The governor vetoed that.

The Committee recognizes that there is a good chance that even if the legislature were to act when it next meets in January 2013, the timing may be inadequate to prepare a state-based exchange. So the Committee would like additional information on what a federal exchange might look like.

The Committee has the following questions as it prepares to study health insurance exchanges and hopes that someone from the Center for Consumer Information and Oversight might be able to answer them via conference call during the Committee's next meeting Aug. 23 (or if more convenient for you on Aug. 24) at any time after 11 a.m. (Washington DC time) either day.

The questions include:

- 1) If the Economic Affairs Committee votes to draft legislation for a health insurance exchange and introduce that bill in the legislature that convenes in January 2013, is that sufficient to indicate intent (by January 1, 2013) to create a state-based health insurance exchange? The Committee recognizes that the legislation would need to pass in order to actually create the state-based exchange and that timing is a problem for implementation.
- 2) If the 2013 Legislature were to pass legislation creating a state-based exchange by May 2013 and the governor sign that legislation, is there an opportunity for a waiver regarding implementation deadlines?
- 3) If there is little expectation that Montana could create a state-based exchange by the required deadlines, would a federal exchange be tailored to the state or provide for some state input?
- 4) If the federal exchange contracts to a nonprofit organization, will that nonprofit organization be the same one for every state that has a federal exchange or might the nonprofit organization be chosen from each state through a bidding process specific to the state?

(more)

- 5) If a federal health insurance exchange is developed and used in Montana and elsewhere, will the entity running the exchange work with a stakeholder group in the state and, if so, how?
- 6) What, specifically, would be the role of the insurance commissioner in a state with a federal health insurance exchange?
- 7) If a federal health insurance exchange is developed, where would the physical aspects of the exchange be located, for example the call center? Would Montanans be calling Washington DC or some place locally or regionally?
- 8) If a federal health insurance exchange is developed, who would determine if accessible information needs to be provided in one or more of the Indian languages spoken on Montana's seven Indian reservations? Who would provide the translation/interpretation and how would this be paid for? This recognizes that some Indians may be buying insurance voluntarily through an exchange and not necessarily accessing the Indian Health Service.
- 9) How will a federal health insurance exchange be funded and will there be charges to the state, to insurers in the state, or to some other party to help fund it?
- 10) How will the federal government handle interoperability of a federal exchange with Medicaid eligibility? Will that be different from what is expected of state-based health exchanges?
- 11) If a federal health insurance exchange is developed and used in Montana, would there be a component that allows for a health insurance purchaser to determine eligibility under Montana's Insure MT program?
- 12) If a federal health insurance exchange is developed and used in Montana, how would local insurance producers and agents be able to participate in guiding buyers, including small businesses?

Thank you for taking time to review these questions. I hope that someone from your office might be available to discuss these questions with the 8-member Economic Affairs Interim Committee. We can provide a phone linkup or a video option if we have advance notice. Of course, you are always welcome to escape Washington DC's humidity for a hot but beautiful August day in the Big Sky Country.