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- Federal High Risk Pool: The Federal High Risk Pool was one of the first items implemented from the Affordable Care Act. The high-risk pool covers South Dakotans who are uninsurable due to pre-existing health conditions and who have been without health care coverage. [Learn more about the Federal High Risk Pool.](#)
- Insurance Changes: The Affordable Care Act required several insurance changes to take effect at the start of the plan year beginning on or after September 23. [Learn more about these short-term insurance changes.](#)
- Health Insurance Exchange: The Affordable Care Act requires each state to have a health insurance exchange in place by 2014. According to the Act, an exchange is meant to be a one-stop shopping place where people can purchase coverage. [Learn more about the Health Insurance Exchange.](#)

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On March 23, 2010, the President signed the Patient Protection and Affordable Care Act (PPACA) into law. Additionally, the President signed the Health and Education Reconciliation Act which made amendments to PPACA. Together, these two acts are referred to as the Affordable Care Act. Some of the most significant changes included the Affordable Care Act as outlined below.

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Health Insurance Exchange

One of the key components of the Affordable Care Act is the creation of a health insurance exchange. The federal health care reform act requires each state to have an exchange in place by 2014. The Affordable Care Act gives states the first opportunity to run exchanges. If a state is unwilling or unable to run an exchange, the U.S. Department of Health and Human Services (HHS) will create an exchange to operate in that state.

What is an exchange?

The federal Affordable Care Act contemplates an exchange to be one-stop shopping place where people can purchase health insurance coverage.

Exchanges will allow individuals below certain income levels to obtain financial assistance in the form of tax subsidies and cost-sharing reductions that will make health insurance more affordable. When individuals apply for a plan through the exchange, they will also be screened for Medicaid and Children's Health Insurance Program (CHIP) eligibility.

Small businesses will also be able to purchase insurance for their employees through the exchanges.

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Health Insurance Exchange Website

- <http://healthreform.sd.gov/Exchange.aspx>
- Basic Exchange Information
- Task Force Member List
- Meeting Dates
- Meeting Minutes and Materials
- Quarterly Reports

State Comparisons

- South Dakota Parameters
 - Market Facilitator
 - Provide for benefit interconnection/interface for state benefit assistance determination such as CHIP and Medicaid
 - No state taxpayer funds
 - One statewide exchange will include both individual and small group coverage
 - Explore sharing functionality/technology among states
 - Maintain markets outside of an exchange

States Comparisons

- Iowa
 - They have held regional meetings and focus groups
 - Pending legislation
- Nebraska
 - Explore sharing among states
 - Six public forums have been held
 - Two RFP's issued
 - Research
 - IT Roadmap
 - No legislation
- North Dakota
 - Could not provide specifics
 - Exchange intent bill – June, 2011
 - Special session November, 2011 to make decisions
- Wyoming
 - Could not provide specifics
 - Looking to have decision on the direction later this year
 - Steering committee established
 - Legislation passed for intent to establish exchange

State Comparisons

- Colorado
 - Independent public authority
 - Initially funded by gifts, grants and donations
 - Maintain markets outside of exchange
 - Stakeholder group
 - Legislation passed
- Kansas
 - Leaning towards independent public authority
 - Market facilitator
 - Funding likely will come from surcharge on premiums
 - Maintain markets outside of exchange
 - Explore sharing among states (discussions with MO & CO)
 - Early innovator state
 - No legislation
- Montana
 - Quasi governmental agency
 - Funding from fees on health insurers and federal and private grants. No state funding will be used
 - Limits the number of plan designs that an insurer can offer inside the exchange to three in each tier
 - Stakeholder involvement council
 - Governor pursuing non-legislative option

Exchanges

- Utah

- State agency – GOED
- Market facilitator
- Small budget
 - \$600,000 initial appropriation and ongoing support from GOED for the two staff members

- Massachusetts

- Independent public authority
- Market regulator
- Initially financed with \$25 million appropriation
- Currently self-sustaining through surcharges on health plan premiums
- Current operating budget is approximately \$30 million, with a staff of 46 full-time employees

Exchange Trends

AHIP June Conference - Kirk Zimmer

- All are maintaining markets both inside and outside the exchanges.
- Most are not merging individual and small group exchanges.
- Most are focusing on health plan assessments for funding, with many discussing fees to individuals and employees
- Most are not proposing selective contracting...all qualifiers are allowed into the exchange
- Most are not granting rate review authority to the exchange
- Most states are not dealing with large group exchanges until required to in 2017
- Most are requiring that all plans be offered as condition of participation in an exchange