

## **Partnership Exchange FAQs**

### **What is a Partnership Exchange?**

A Partnership Exchange is a “hybrid model” in which a state operates certain functions of a Federally-Facilitated Exchange. A partnership Exchange “enables states to assume primary responsibility for carrying out certain activities related to plan management, consumer assistance and outreach, or both.” January 3, 2013 US DHHS Guidance at 3.<sup>1</sup>

The Exchange in a partnership state is considered a federally facilitated Exchange or “FFE.” Thus, entering into a partnership is consistent with New Hampshire law, which prohibits a state-based Exchange, but allows state agencies to take on particular functions related to the operation of a federally facilitated Exchange, particularly where those functions involve the continuation of traditional areas of state regulation and authority. RSA 420-N:7, III.

### **What functions would the federal government perform under a Partnership Exchange?**

Whether or not the state pursues a Plan Management partnership, the FFE set up by the federal government will perform the following tasks:

- Maintain a website to provide plan information and options in a standardized format.
- Operate a toll-free hotline.
- Provide each employer the names of the employees eligible for the tax credit and transfer to the Treasury a list of employees eligible for the tax credit.
- Make available a calculator to determine actual cost of coverage after subsidies.
- Issue certifications of exemption from the individual responsibility requirement and transfer to the Treasury a list of exempt individuals.
- Establish a Navigator program that provides grants to entities that assist consumers.

Only states setting up a state-based exchange may perform the tasks listed above, so New Hampshire will not perform them regardless of the state’s partnership status.

### **What is the difference between the two types of partnerships?**

In a Plan Management partnership, the state would regulate the insurance plans offered through the Exchange and the insurance carriers offering these plans. The state would track and help resolve consumer complaints about the plans and/or carriers, and if necessary take enforcement action against carriers that were violating the law. All of these are types of functions the New Hampshire Insurance Department (“NHID” or “Department”) now performs. The Department would receive grant funds to assist with new tasks and increased volume brought about by the ACA.

In a Consumer Assistance partnership, the state would help individuals and businesses learn about and access the Exchange. State agencies would regulate the conduct of “Navigators,” organizations or individuals receiving federal grants to assist consumers. The state could also set up its own short-term outreach and assistance programs, using federal funds.

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<sup>1</sup> The January 3, 2013 US DHHS (CCIIO) guidance on exchange partnerships is available at <http://cciio.cms.gov/resources/files/partnership-guidance-01-03-2013.pdf>.

## **How would state partnership activities be funded?**

Funding through the end of 2014 is available through Exchange Establishment grants under section 1311 of the ACA. This funding would fully cover all new partnership tasks through the crucial initial enrollment period and first year of Exchange operation. After the end of 2014, the US HHS has indicated that there is the possibility of further funding through the Exchange itself, particularly for activities that are integral to Exchange operations. The state has the flexibility to design its program in such a way that no state funds will be required to implement state partnership activities.

On December 27, 2012, the NHID submitted its initial application for establishment grant funds to support a plan management partnership. If the state declares its intent to enter into a consumer assistance partnership, the Department would submit additional funding requests. These funding opportunities arise quarterly. Any funds awarded, as well as any associated contracts, will be subject to Fiscal Committee and Governor and Council approval.

## **What specific functions would the New Hampshire Insurance Department perform under a Plan Management Partnership?**

In a Plan Management Partnership, state responsibilities includes recommending plans for Qualified Health Plan (QHP) certification, recertification and decertification; QHP issuer account management; and day-to-day administration and oversight of QHP issuers. The Department would perform the following specific functions under a partnership:

### QHP Certification Process

Insurance carriers that wished to offer plans on the Exchange would submit their plan data to the NHID, which would review and approve all forms, rates and plan details under both state standards and ACA standards. The Department would submit recommendations to the federal exchange as to whether the submitted plans met the standards to be considered “qualified” plans, or QHPs.

### Issuer Account Management

The Department would continue to serve as the main contact for New Hampshire carriers with questions about applicable regulatory standards, under both the ACA and state law. The Department would also continue to serve its traditional role in monitoring and helping to resolve consumer complaints about insurance carriers operating in the state.

### Issuer Oversight

The Department would be responsible for taking enforcement action against carriers that violated state regulatory standards, and for recommending Exchange compliance actions for conduct that violated federal standards.

## Quality Reporting and Display Requirements

The Department would coordinate with federal authorities on data collection requirements relating to health plan quality, and would have the option of providing a web link to additional quality data.

### **What are the benefits of entering into a Plan Management partnership?**

A plan management partnership is consistent with New Hampshire law at RSA 420-N: 8, I, which specifically directs the NHID to take action necessary to maintain the regulatory functions that it traditionally performs:

In the event a federally-facilitated exchange is established for New Hampshire, the commissioner shall retain authority with respect to insurance products sold in New Hampshire on the federally-facilitated exchange to the maximum extent possible by law . . . , including but not limited to producer and insurer licensing, form and rate approval, reinsurance and other risk-sharing mechanisms, network adequacy, industry assessments, internal grievance standards, external review, and unfair trade practices.

If the state does not enter into a partnership it would be transferring some of its traditional regulatory functions to the federal government. Federal plan management will result in a system of dual and overlapping regulatory authority in many areas that were previously regulated solely by the NHID. There would be a high potential for confusion among consumers and the regulated community about what legal standards are applicable, as well as inconsistent regulatory standards.

### **What functions would state agencies perform under a Consumer Assistance Partnership?**

In a consumer assistance partnership, the federal Department of Health and Human Services (“US HHS”) would operate the Exchange’s call center and website, and would be responsible for funding and awarding Navigator grants. The state would take on the following functions:

#### Regulation of Navigators

The role of Navigators, laid out in section 1311(i) of the Affordable Care Act, is to educate and assist consumers in accessing and using the Exchange. Under a consumer assistance partnership, the US HHS would select the Navigators and establish conflict of interest, cultural and linguistic competency, and training standards for them. The state would be responsible on an ongoing basis for ensuring that Navigators were adhering to these standards, as well as to the Exchange’s privacy and security standards. The state could also choose to set additional training standards and licensing requirements for Navigators, but states may not require that all Navigators be licensed as producers.

## Operation of Additional In-person Assistance Programs

Because Navigator grants will be awarded on a competitive basis, not all communities or eligible individuals will have easy access to a Navigator. To help ensure that all consumers will have access to the in-person assistance they need, states entering into consumer assistance partnership will have the opportunity to “build additional programs, distinct and apart from the Navigator program, that will be available to help consumers in those states.” January 3, 2013 CCIIO Guidance at 13.

In-person assistance programs under a consumer assistance partnership may be conducted through the use of state employees, state contractors, state grants to existing entities, the establishment of new entities, or any combination of these approaches. States entering into a consumer assistance partnership have the flexibility to design their own consumer assistance model for the state.

## Outreach and Education

States entering into a consumer assistance partnership will have the opportunity to develop a state-specific outreach and education plan, due by March 29, 2013. Partnership states will gain access to additional state-specific funding for outreach and education efforts targeted at populations specific to the state, and using outreach resources known to the state and local communities (for instance, particular community groups, business or interest groups, or health care providers).

### **Who in state government would perform Consumer Assistance Partnership tasks?**

The Insurance Department would take the lead on most partnership tasks, including the logistics of applying for grants, entering into an agreement with US HHS, and regulating Navigators on an ongoing basis. However, because the Exchange serves the Medicaid population as well as the commercially insured, and because individuals and families will likely move back and forth between different types of coverage, there is a strong need for ongoing coordination between the NHID and the New Hampshire Department of Health and Human Services (“NH DHHS”).

Both agencies would be integrally involved in designing New Hampshire’s consumer assistance model and in implementing or overseeing components of the in-person assistance program designed to reach the populations each agency serves. With respect to outreach and education, the NHID would administer any appropriate grants or contracts, but would work closely with NH DHHS to ensure that the needs of Medicaid-eligible populations were included in designing and carrying out the outreach program.

### **When would Consumer Assistance activities begin?**

Open enrollment for Exchanges begins on October 1, 2013, so availability of assistance and accurate information prior to that time is critically important. Having a baseline understanding of health insurance will help consumers make informed choices about their health insurance options when Exchange enrollment begins. The partnership guidance issued by US HHS requires that partner states that are planning to perform outreach and

education submit an outreach and education plan by March 29, 2013, and that in-person activities begin in the summer of 2013. In order to operate in this timeframe, New Hampshire would need to develop its consumer assistance model this spring, probably by late March.

The deadline for states to “declare” their intent to enter into a partnership is February 15, 2013; the logistics associated with this process are discussed further below.

### **What are the benefits of entering into a Consumer Assistance partnership?**

A partnership would help ensure that the New Hampshire consumers who will be served by the Exchange, ranging from Medicaid-eligible individuals to small businesses using the SHOP Exchange, understand and access the health insurance coverage and subsidies the Exchange makes available to them.

A partnership will give the state the opportunity to develop a state-specific consumer assistance model that takes into account existing resources and potential assisters both within and outside of state government. This model will make the consumer assistance system coherent and optimize its effectiveness in helping consumers find appropriate resources and assistance.

Without a partnership, there is no guarantee that US HHS will devote resources to New Hampshire-specific outreach or education. In addition, consumer assistance will be limited to federally operated call centers, supplemented by whatever entities apply for and receive Navigator grants.

### **What is the process moving forward to get to a declaration on February 15, 2013?**

Entering into a plan management partnership will involve the following steps, required by US HHS, and all due on February 15, 2013:

- Submission of Declaration Letter signed by the state’s governor
- Submission of “Blueprint” and attached required documents outlining the state’s specific intentions with respect to a plan management partnership
- Submission of Establishment Grant application to fund consumer assistance and possibly additional plan management partnership activities
- Execution of MOU(s) with US HHS

The NHID also intends to brief the Joint Health Care Reform Oversight Committee (established under RSA 420-N:3) on the partnership initiative and obtain their input. In addition, receipt of any grant funds and execution of any contracts necessary to support partnership activities will be subject to Fiscal Committee and Governor and Executive Council Approval.