



**THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

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Email sent to: jeb.bradley@leg.state.nh.us

The Honorable Jeb Bradley
State House, Room 302
107 North Main Street
Concord, NH 03301

Senator Bradley:

Please find the attached policy brief on state based health insurance exchanges (SBE). Following your request to research the SBEs in response to SB 121, we directed our contractor Freedman Healthcare to produce this brief.

The report provides a background and general analysis on the purpose and responsibilities associated with exchanges, also referred to as the Marketplace. Additionally, Freedman Healthcare researched the costs, risks, and considerations associated with SBEs and the experiences in other states.

Currently, New Hampshire is a partnership state, and while the NHID performs the functions associated with plan management and product approval, subsidized health insurance must be purchased through the federal healthcare.gov website. As described in the brief, a federal or SBE needs to have a range of services available, from the commercial insurance and Medicaid enrollment mechanism to consumer services support staff. This is no small undertaking and must be done with considerable thought and planning.

Other key points the brief addresses includes:

- Though initially the HealthCare.gov platform was plagued with technological problems, in recent years it performs several complex functions relatively well, including extensive email outreach to consumers, resolving income-related data matching issues, and leveraging new technologies to create a streamlined enrollment process for consumers who rely on direct enrollment partners
- Regardless of potential cost saving opportunities, transitioning to an SBM is a complex undertaking that is best pursued as part of a broader vision for what the state hopes to achieve (e.g., increased enrollment or improved consumer experience).
- Enrollment growth is one indicator of market health and is a consistent benefit observed in states that transitioned to SBMs.

- Although a well-integrated platform is a significant potential benefit of operating an SBM, it requires a strong interagency commitment to achieve. The process is also dependent of existing Medicaid technology and staff availability to coordinate the change.

If SB 121 passes, NHID will assist the legislature toward implementing an SBE, but please be sensitive to our limited resources. Developing a consensus on the model and passing legislation that creates the infrastructure will be an important part of this process. The NHID will provide our expertise on insurance markets, but we do not have the staff or authority to develop a SBE.

Many states will create an independent entity to perform exchange related functions, and this would be a key part of the model. You may wish to consider input from the New Hampshire Department of Health and Human Services, the NH Health Plan, advocacy groups, insurance carriers, brokers, and health care providers as part of the decision process. Hearing from potential vendors about what services they offer would be an important step as well.

In summary, the threshold consideration regards liability. Currently, the federal government bears the responsibility for the exchange. In transitioning to an SBE, the state will assume the liability to produce and maintain a system that is superior to the federal system. Transitioning to an SBE is no small task and involves significant considerations that impact both the state and consumers.

Thank you for the opportunity to provide the research and input on this significant policy decision.

Sincerely,



Christopher R. Nicolopoulos, Esq.
Commissioner



D.J. Bettencourt
Deputy Commissioner