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HHS Issues Proposed Rule for Employer Participation in State Health Care Exchanges

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Pursuant to the Patient Protection and Affordable Care Act, beginning in 2014 individuals and small businesses will have access to the purchase of private health insurance through insurance exchanges. States are required to set up health insurance exchange markets, both for small businesses (the Small Business Health Option Program, or SHOP) and for individuals, or a single exchange that combines both. Forty-nine states have applied for grants to help plan and operate exchanges.

On August 12, the United States Department of Health and Human Services released a proposed rule titled the 'Exchange Eligibility and Employer Standards,' which attempts to create uniform standards and systems for enrolling in insurance plans through the exchanges. The goal is to provide 'competitive marketplaces for individuals and small employers to directly compare available private health insurance options on the basis of price, quality, and other factors.'

The proposed rule tackles the issue of eligibility for both exchange participation and insurance affordability programs by proposing a coordinated electronic system that will verify income and eligibility almost instantaneously. This will be accomplished by use of data matching with electronic data sources. Furthermore, the proposed rule streamlines the eligibility rules for tax credits, Medicaid, and Children's Health Insurance Program to enable the consumer to enroll in the proper program without duplicative steps or paperwork among the different programs. The key goal of the proposed rule is to allow many, if not most, individuals to receive an eligibility determination and enroll in a health plan in one session. After enrollment, the proposed rule also creates policies and procedures for a redetermination process to ensure that only qualified enrollees remain eligible for participation in the exchange and any affordability programs.

The rule also contains standards for employers participating in SHOP, which focus mainly on ensuring employers that are participating are eligible to do so, and ensuring their dissemination of information and availability of the exchanges to their employees.

The rule was published in the Federal Register on August 17, and can be accessed [here](#). There will be a period of 75 days for public comment.

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