

## Center for Medicaid and CHIP Services

### CMCS Informational Bulletin

**DATE:** November 29, 2011

**FROM:** Cindy Mann, Director  
Center for Medicaid and CHIP Services (CMCS)

**SUBJECT: State Flexibility, Resources to Implement Affordable Insurance Exchanges**

Today, the Department of Health and Human Services (HHS) awarded nearly \$220 million in Affordable Insurance Exchange grants to 13 States to help them create Exchanges. The Department also released several Frequently Asked Questions providing answers to key questions States need to know as they work to set up these new marketplaces. Critical among these are that States that run Exchanges have more options than originally proposed when it comes to seamlessly determining eligibility for premium tax credits, Medicaid, and CHIP. And States have more time to apply for “Level One” Exchange grants.

#### Exchange Grants

Today’s awards bring to 29 the number of States that are making significant progress in creating Affordable Insurance Exchanges. States receiving funding today include: Alabama, Arizona, Delaware, Hawaii, Idaho, Iowa, Maine, Michigan, Nebraska, New Mexico, Rhode Island, Tennessee and Vermont.

States have many opportunities to apply for funding. To accommodate State legislative sessions and to give States more time to apply, HHS also announced a six-month extension for Level One establishment grant applications. Applications now will be accepted until June 29, 2012 (the original deadline was December 30, 2011).

#### FAQs

HHS is also releasing Frequently Asked Questions (FAQs) in anticipation of State legislative sessions beginning in January. Answers will help advance State policy development for Exchanges. For example, they clarify that Exchange grants can be used to build a State Exchange that is operational after 2014; that State-based Exchanges will not be charged for accessing Federal data needed to run Exchanges in 2014; and that State insurance rules and operations will continue even if the Federal government is facilitating an Exchange in the State. HHS will also allow greater flexibility in eligibility determinations, allowing, for example, a State-based Exchange to permit the Federal government to determine eligibility for premium tax credits. In addition, we intend to permit additional options for determining eligibility for Medicaid, CHIP, and premium tax credits under a State-based and Federally-facilitated Exchange.

For more information on the States receiving grants, visit:

<http://www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html>

For FAQs, visit: <http://cciiio.cms.gov/resources/regulations/index.html#hie>

For more information on Affordable Insurance Exchanges: visit:

<http://www.HealthCare.gov/law/features/choices/exchanges/index.html>.