

## HHS Announces Proposed Rule for Exchanges

On July 11, the Department of Health and Human Services released a proposed rule related to the establishment of Exchanges under the Patient Protection and Affordable Care Act (PPACA).

The proposed rule includes:

- The federal requirements that states must meet if they choose to establish and operate an Exchange
- The minimum requirements that health insurance carriers must meet to participate in an Exchange and offer qualified health plans (QHP)
- Standards that employers must meet to participate in the Small Business Health Options Program (SHOP)

The proposed rule gives states more flexibility in implementing Exchanges. HHS may issue “conditional approval” to states that are making progress toward establishing an Exchange even if the state cannot demonstrate full operational readiness by January 1, 2013. The regulations also allow states to develop an Exchange in partnership with the federal government and take advantage of processes and systems being developed for the federal Exchange.

The regulation does not address all the requirements of Exchanges. Additional guidance is expected later this year regarding:

- Standards for individual eligibility to purchase Exchange coverage, including premium subsidy information and the process for receiving an exemption from the individual mandate
- The definition of essential health benefits
- Quality standards for Exchanges and QHPs

### Next Steps

Comments on this proposed rule are due by September 28, 2011, and all Exchange regulations are expected to be finalized by mid-2012.

CIGNA is continuing to review this proposed rule as we proactively work with the Administration to implement

PPACA and provide suggestions for Exchanges and other regulations. We will provide additional information and perspective in the coming weeks.

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