2014 State Legislation to Establish a State-Run Exchange
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The Affordable Care Act (ACA) included a clear and relatively high visibility choice or option for each of the 50 states. Each state government could elect to run its own state exchange or marketplace¹, they could select a state-federal partnership, and they could defer to, or refuse to participate with, ACA exchanges, which meant they would have a “Federally-Facilitated Marketplace” or FFM. Each option was equally acceptable and compliant with the federal law (ACA, Section 1001) but was also seen in some places as a test of support or opposition to the overall federal law.

After four years of consideration, negotiation and occasional conflict between state legislative and executive branch offices, and two state election cycles (2010 and 2012) the state decisions are well known. As of June 2014, the recently operational Marketplaces or Exchanges divided into four categories and a few variations. For now, 14 states and the District of Columbia have selected the full state-based exchange (SBE) option; Seven states are classified as “state-federal partnerships,” and three are negotiated hybrids, with the federal government running the individual marketplace and the state running or authorized to run the small-business (or SHOP) exchange. In terms of primary legal responsibility, 36 states have either a full Federally-Facilitated Marketplace (FFM) or some significant reliance on the federal Marketplace and its healthcare.gov website.

2014 or 2105 Legislative Action Can Change the Lineup.

The federal law does not have a permanent deadline for states to change an earlier decision (or make a first-time final decision). For 2014 legislative sessions, at least 14 states introduced bills proposing to change the structure from federal to state administration. These legislatures and bills (# filed in brackets) include:

|------------------|----------------|

Results: As of the end of sessions, the following are the results of the 24 measures in these 14 states:
1. No bills became law to provide formal legal authorization for a move to a state-run exchange or marketplace.
2. Maine enacted a state exchange authorization, but it was vetoed.
3. Illinois’ Senate and House both passed a differing version back in May 2013; no bill became law.
4. New Jersey passed a Senate Resolution for an exchange implementation task force.
5. Bills in New Jersey remain pending due to carry-over to their 2015 session.
Court cases about the ACA pending in 2014,\(^2\) claiming that IRS administered premium subsidies may apply only to state-based exchanges, could increase the interest in some state legislative decisions and choices to retain an FFM or to move to a state-based exchange. NCSL takes no position on state legislation or state policy.

2014 State Legislation to Establish a State-Run Exchange

NCSL’s 2014 Health Reform Legislative Database: The bills and resolutions included in this memo are tracked online at [http://www.ncsl.org/research/health/new-health-reform-database.aspx](http://www.ncsl.org/research/health/new-health-reform-database.aspx). Tracked measures are updated every two weeks. This legislative tracking tool contains more than 1,180 bills and resolutions, including 324 measures broadly related to Marketplaces and Exchanges; of these exchange proposals, 66 have been enacted into law in 21 states plus 11 resolutions have been adopted, as of Jan. 2, 2015

**Arizona H 2557**

**Author:** Meyer (D)  
**Title:** Health Insurance Exchange  
**Introduced:** 02/03/2014  
**Disposition:** Failed - Adjourned - House Health Committee  
**Location:** House Health Committee  
**Status:** 02/11/2014 To HOUSE Committee on HEALTH.  
02/11/2014 Additionally referred to HOUSE Committee on RULES.  
**Summary:** Would establish the Arizona health insurance exchange, to "facilitate the purchase and sale of qualified health plans and shall make qualified health plans available to qualified individuals and qualified employers on or before Jan. 1, 2016."
Georgia S 46

Insurance
Status: Failed - Adjourned - Senate Insurance and Labor Committee
Date of Last Action: 1/14/2013; did not pass by end of 2014 session.
History: 01/15/2013 - To SENATE Committee on INSURANCE AND LABOR.

Author: Orrock (D) Additional Authors: Tate (D); Davis H (D)
Summary: Would establish the Georgia Health Insurance Marketplace Authority, providing for legislative intent, for a board of directors, including composition, terms, and officers and defining the powers and duties of the authority, providing for the state's American Health Benefit Exchange and Small Business Health Options Program Exchange. Also would provide for a trust fund, advisory committees and limited liability.

Illinois H 3227

Author: Rep. Gabel (D); Sen. Koehler (D)
Disposition: Held in House Rules Comm. 5/24/2013 through 12/31/2014
Date of Last action: 5/24/2013
Status: Passed Senate 5/23; differing version passed House 4/19/2013; has not passed or reached governor's desk – 12/31/2014
Summary: Amendment #2, filed 5/13/2013, would require that the state establish "the Illinois Health Benefits Exchange in order to help individuals and small employers shop for, select, and enroll in qualified, affordable private health plans that fit their needs at competitive prices." Expands authority from a state-federal partnership to a full state-based program. "The Exchange shall separate coverage pools for individuals and small employers and shall supplement and not supplant any existing private health insurance market for individuals and small employers. These health plans shall be available to individuals and small employers for enrollment by October 1, 2014." It is designed as a "public entity" with an oversight committee, establishing provisions concerning insurer's assessments, enrollment through brokers and agents, and producer compensation.

Indiana H 1356

Author: Brown C (D)
Title: State Health Benefit Exchange
Introduced: 01/14/2014
Disposition: Failed - Adjourned - House Insurance Committee
Location: House Insurance Committee
Status: 01/15/2014 To House Committee on insurance.
Summary: Would require the state of Indiana's department of insurance to create a state health benefit exchange in Indiana.

Indiana S 369

Author: Tallian (D)
Title: Implementation of Federal Affordable Care Act
Introduced: 01/15/2014
Disposition: Failed - Adjourned - Senate Appropriations Committee
Location: Senate Appropriations Committee
Status: 01/15/2014 To SENATE Committee on APPROPRIATIONS.
Summary: Would require the state to expand Medicaid coverage for specified individuals; also would require the department of insurance to create a state health benefit exchange in Indiana; require the legislative services agency to prepare legislation for introduction in the 2015 legislative session to make necessary changes to statutes affected by this act.

Iowa S 375
Similar: Iowa S 72, S 2112
### Senate Commerce Committee

**Title:** Establishment of the Iowa Health Benefit Marketplace  
**Introduced:** 03/11/2013  
**Disposition:** Failed - Adjourned - Senate Commerce Committee  
**Location:** Senate Commerce Committee  
**Status:** 04/04/2013 To Senate Committee on commerce.  
**Summary:** Would provide for the establishment of the Iowa health insurance marketplace, in place of the federal-state partnership exchange created and fully operational as of Jan. 1, 2014, to facilitate the sale and purchase of qualified health plans in this state by qualified individuals in the individual market and by qualified small employers in the small group market. Also see S 2112.

### Iowa S 2253

**Author:** Senate Commerce Committee  
**Title:** State Health Insurance Marketplace  
**Introduced:** 02/20/2014  
**Disposition:** Failed - Adjourned - Senate Commerce Committee  
**Location:** Senate Commerce Committee  
**Status:** 03/13/2014 To Senate committee on commerce.  
**Summary:** Would provide for the establishment of the Iowa health insurance marketplace, in place of the federal-state partnership exchange created and fully operational as of Jan. 1, 2014, to facilitate the sale and purchase of qualified health plans in this state by qualified individuals in the individual market and by qualified small employers in the small group market.

### Maine H 962 (LD 1345)

**Author:** Priest (D)  
**Title:** Health Care System  
**Introduced:** 04/02/2013  
**Disposition:** Vetoed by Governor  
**Location:** Joint Committee on Insurance and Financial Services  

- 07/09/2013 - First Regular Session Adjourned - 07/10/13 - Carried Over to Next Session.  
- 04/04/2014 - In House. Finally passed.  
- 04/16/2014 - In Senate. Finally passed in concurrence.  
- 04/16/2014 - Eligible for governor's desk.  
- 04/28/2014 - Vetoed by governor.  
**Status:** 04/04/2014 - Vetoed by governor.  
**Summary:** Would establish the state-run Maine Health Benefit Marketplace as the state's health benefit exchange as authorized by the ACA, to facilitate the purchase of health care coverage by individuals and small businesses. The Maine Health Benefit Marketplace would be established within the Department of Professional and Financial Regulation, with coverage to be available through the State-based marketplace no later than January 1, 2015.

### New Hampshire H 544

**Author:** Butler (D)  
**Title:** Access to Health Care Coverage  
**Introduced:** 01/03/2013  
**Last Amend:** 01/08/2014  
**Disposition:** Failed - Died  
**Location:** SENATE  

- 01/08/2014 - Amended on HOUSE floor.  
- 01/08/2014 - 01/08/2014 - Passed House. *****To SENATE.  
**Status:** 04/17/2014 - 04/17/2014 - In SENATE. Returned to House per Senate Rule 3-21.
Would establish the New Hampshire access to health coverage act to provide health insurance to the newly eligible population; deleting the prohibition on a state-based health benefit marketplace as a step toward establishing such a marketplace; granting the commissioner of the department of health and human services rulemaking authority for the purposes of the bill; creating "a level playing field between a federally-facilitated exchange and the commercial health insurance market."

**New Jersey ACR 111**
- **Identical:** NJ SCR 46
- **Sponsor:** Conaway (D)
- **Title:** Task Force on Health Insurance Exchange Implementation
- **Introduced:** 02/06/2014
- **Disposition:** Pending; carried over to 2015
- **Location:** Assembly Financial Institutions and Insurance Committee
- **Status:** 02/06/2014 introduced.
- **Summary:** Would reconstitute the "Joint Legislative Task Force on Health Insurance Exchange Implementation".

**New Jersey SCR 46**
- **Identical:** NJ ACR 111
- **Sponsor:** Gill (D)
- **Title:** Task Force on Health Insurance Exchange Implementation
- **Introduced:** 01/16/2014
- **Disposition:** Pending; carried over to 2015
- **Status:** 02/27/2014 Passed Senate. *****To Assembly. 02/27/2014 To Assembly Committee on financial institutions and insurance.
- **Summary:** Would reconstitute the Joint Legislative Task Force on Health Insurance Exchange Implementation.

**New Jersey S 540**
- **Sponsor:** Gill (D)
- **Title:** New Jersey Health Insurance Marketplace Act
- **Introduced:** 01/14/2014
- **Disposition:** Pending; carried over to 2015
- **Location:** Senate Commerce Committee
- **Status:** 01/14/2014 introduced. 01/14/2014 To Senate committee on commerce.
- **Summary:** Would create statutory authorization to establish a state-run Health Insurance Marketplace in New Jersey.

**New Jersey SR 80**
- **Health Insurance Exchange**
- **Status:** Adopted
- **History:** 06/05/2014 - FILED. 06/12/2014 - Passed Senate.
- **Date of Last Action:** 06/12/2014 - Enacted
- **Author:** Gill (D) Additional Authors: Vitale (D)
- **Summary:** Establishes the Senate Task Force on Health Insurance Exchange Implementation.
### North Carolina H 70

**Author:** Brandon (D)  
**Title:** North Carolina Health Plan  
**Introduced:** 02/06/2013  
**Disposition:** Failed – did not pass first chamber  
**Location:** House Insurance Committee  
**Status:** 02/06/2013 To House Committee on insurance.  
7/18/2014 Still held in committee  
**Summary:** Would provide for a newly created universal-style North Carolina health plan to cover all state residents with comprehensive health benefit coverage, as an ACA-authorized proposed alternative to a state health benefit exchange, effective January 2017. It would “be funded by all taxpayers within the state based on their ability to pay and by means of a stable funding stream that accounts for the increasing costs of health care services.”

### Ohio S 88

**Sponsor:** Skindell (D)  
**Title:** Health Benefit Exchange Agency and Program  
**Introduced:** 03/19/2013  
**Disposition:** Status: held Senate Insurance and Financial Institutions Committee; Did not pass by end of session, 12/31/2014  
**Location:** Senate Insurance and Financial Institutions Committee  
03/20/2013 In Senate. To second reading. Read a second time.  
**Status:** 03/20/2013 To Senate committee on insurance and financial institutions.  
12/31/2014 Still held - Senate Insurance and Financial Institutions Committee  
**Summary:** Would establish the Ohio Health Benefit Exchange Program and Agency, consisting of an exchange for individual coverage and a Small Business Health Options Program.

### Oklahoma H 1851

**Author:** Shelton (D)  
**Title:** Health Insurance  
**Introduced:** 02/04/2013  
**Disposition:** Failed - Adjourned - House Rules Committee  
**Location:** House Rules Committee  
**Summary:** Relates to health insurance; creates the Oklahoma Health Insurance Exchange of 2013; provides for noncodification; provides an effective date.  
**Status:** 02/06/2013 To House Committee on rules.

### Oklahoma H 3424

**Author:** Shelton (D)  
**Title:** Insurance  
**Introduced:** 02/03/2014  
**Disposition:** Failed - Adjourned - House Rules Committee  
**Status:** 02/04/2014 To House committee on rules.  
**Summary:** Would establish the Oklahoma health benefit exchange constituted as a public-private partnership separate and distinct from the state, to operate consistent with the federal Affordable Care Act. Effective date would be Nov. 1, 2014. The State Department of Health shall promulgate rules to implement the provisions of this act. Would become effective Nov. 1, 2014.
Oklahoma H 3460
Author: Pittman (D)
Title: Insurance
Introduced: 02/03/2014
Disposition: Failed - Adjourned - House Rules Committee
Location: House Rules Committee
Status: 02/04/2014 To House Committee on rules.
Summary: Would create the Native American Tribes and Health Care Exchange Act of 2014; would become effective Nov. 1, 2014.

Pennsylvania H 225
Authors: DeLuca (D) Additional Authors: Bishop (D);McCarter (D);Davidson (D);Costa D (D);Kula (D);Parker (D);Fabrizio (D);Thomas (D);Sturla (D);Youngblood (D);Frankel (D);Godshall (R);Freeman (D);Dermody (D);Schlossberg (D)
Title: Health Benefit Exchange
Introduced: 01/22/2013
Disposition: Failed-Did not pass committee; held through 12/31/2014
Location: House Insurance Committee
Status: 01/22/2013 INTRODUCED.
01/22/2013 To House Committee on insurance.
Summary: Would provide for the American Health Benefit Exchange Act, establishing the state-run Pennsylvania Health Insurance Exchange; creating implementation duties on the Insurance Department; including powers and duties of the exchange, for health benefit plan certification, for funding and publication of costs and for regulations.

Virginia H 292
Author: Sickles (D)
Title: Health Benefit Exchange
Introduced: 01/08/2014
Disposition: Failed Died
Status: 02/04/2014 In House Committee: Passed by indefinitely.
Summary: Would create the Virginia Health Benefit Exchange, to be established and state-run by a new division within the State Corporation Commission, and "shall facilitate the purchase and sale of qualified health plans and qualified dental plans to qualified individuals and qualified employers;" also providing that the Exchange shall make qualified plans available to qualified individuals and qualified employers by a specified date, unless postponed.

Virginia S 45
Author: Watkins (R)
Title: Virginia Health Benefit Exchange
Introduced: 01/08/2014
Disposition: Failed - Senate Finance Committee
Location: Senate Finance Committee
Status: 02/11/2014 In Senate Committee on finance: Left in committee.
Summary: Would create the state-run Virginia Health Benefit Exchange, which will be established and operated by a new division within the State Corporation Commission (SCC); providing the Exchange shall facilitate the purchase and sale of qualified health plans and qualified dental plans to qualified individuals and qualified employers, making qualified plans available to qualified individuals and qualified employers; provides that the SCC may delay the effective date.

Wisconsin S 12
Author: Vinehout (D)
Title: Badger Health Benefit Authority
Introduced: 02/12/2013
Disposition: 04/08/2014 - Failed to pass pursuant to Senate Joint Resolution 1
Location: Senate State and Federal Relations Committee
Status: 02/12/2013 introduced.; To Senate committee on state and federal relations
Summary: Would create the Badger Health Benefit Authority, which "must establish and operate a Wisconsin Health Benefit Exchange", must make qualified health plans, by Jan. 1, 2014, available to qualified individuals and qualified employers, and must seek federal grants and other funding for the purpose of the exchange.

Current Status of Health Insurance Exchanges / Marketplaces – December 2014

This map is a snapshot of 2014 operational and state-authorized status, not including pending or failed legislation. See NCSL Exchange “State Profiles and Actions” full report online for explanations of state authorizations and federal approvals, as well as state-initiated transition dates.

Notes:
1 - The terms “Exchange” and “Marketplace” are commonly used interchangeably. The enacted ACA statute uses “American Health Benefit Exchanges” throughout, shortened by reference to “Exchanges” in numerous federal HHS documents. For the past two years, the term “Marketplace” has been used widely in most federal material. Some states have formalized the terms “Exchange” or “Connector” to refer to their state-run, ACA compliant program.


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