

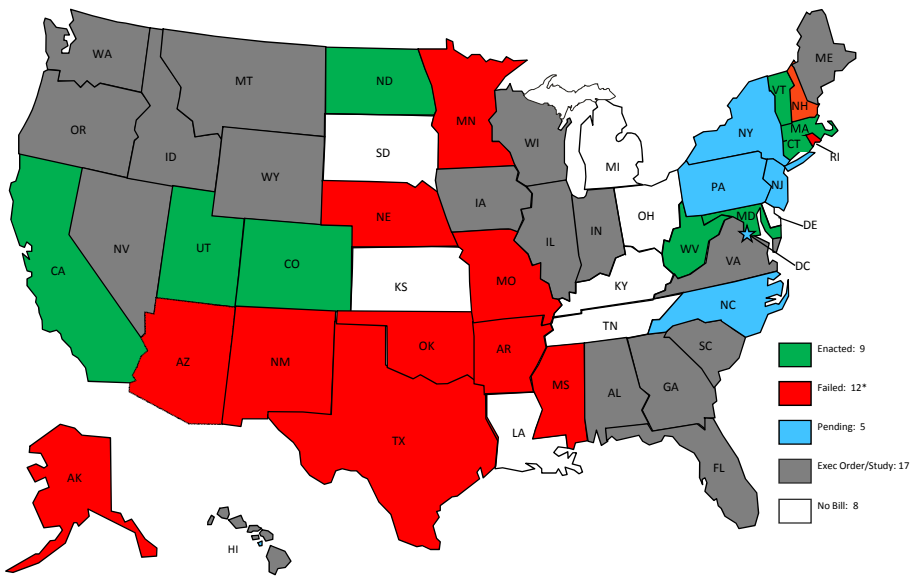


Health Insurance Reform: How States Have Responded

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States are Moving Forward with Exchanges



* Governors support planning for market Exchange to preserve state control.

Source: Blue Cross and Blue Shield Association, July 28, 2011



State Legislative Trends Rate Review

- Nearly half of states debated whether and how to revise premium rate review process and 11 enacted a variety of laws
- 6 states approved measures to expand authority of regulators to review rates (e.g., institute prior approval, hold public hearings, repeal deemer clauses)
- 3 states acted to promote competition and level playing field for insurers (e.g., repeal prior approval, extend rules to all insurers)
- Both a Republican Governor (Nevada) and a Democratic Governor (Connecticut) vetoed bills that would have imposed rate review requirements beyond ACA standards (e.g., automatic hearings if rate request >10%)

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State Legislative Trends Consumer Protections

- Both red and blue states enacted laws enhancing consumer protections
- 16 states conformed their internal appeals and external review programs to ACA
- 6 states required insurers to meet medical loss ratio (MLR) standards
- 7 states amended their laws to permit rescissions only for fraud or intentional misrepresentation of material fact

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State Legislative Trends Expanding Access

- 11 more states allowed adult dependent children to continue coverage until age 26
- Children's pre-existing exclusion periods were prohibited in 8 states
- 3 states required child-only health policies to be offered in individual market



States Need to Lead on Exchanges

Exchanges are a viable and efficient means of promoting choice and competition

- Retain maximum control at the state level
 - Regulatory
 - Budgetary
- Inaction equals federal reaction and control
- Start with the basics
 - Separate policy from operational questions
 - Identify existing resources, perform gap analysis