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Frequently Asked Questions – Health Insurance Exchange

1. What is a Health Insurance Exchange?

A HIE is a one-stop shop for individuals or small businesses who are buying health insurance. The Idaho Health Insurance Exchange (HIE) will offer a choice of different health plans, certify plans that participate, and provide information to help consumers better understand their options.

2. Who will be eligible to participate in a HIE?

Individuals buying their own coverage and businesses with 50 or fewer employees will be eligible. Most Americans will continue to get insurance through their workplace.

3. Who will pay for the HIE and how much will it cost?

The establishment and initial operation of a HIE would be funded through a series of federal grants. Going forward, the HIE will be funded by exchange participants through user fees or assessments. A state HIE would avoid the U.S. Department of Health and Human Services proposal to fund federal exchange operations with a fee of 3.5 percent on premiums from policies purchased through that exchange.

4. What kind of coverage will be available through the HIE?

A variety of plans from multiple carriers will be offered in a way that allows consumers to compare price, benefits, services and quality. Plans will offer a set of essential benefits including hospital, emergency, maternity, pediatric, drug, lab services and other care. Consumers will have four levels from which to choose: bronze, silver, gold and platinum. Additionally, if people qualify for Medicaid or CHIP coverage they will be able to obtain that coverage through the HIE.

5. What will HIE policies cost?

The premiums will vary by type of plan. Health insurance carriers will set their own rates in accordance with new insurance market reforms effective in 2014. Subsidies will be available on policies purchased through the HIE for people who earn up to 400 percent of the poverty level.

6. Will people still be able to buy insurance outside of the HIE?

The HIE is not intended to compete with the existing insurance marketplace. Insurers can sell policies outside of the Exchange; consumers and employers can purchase coverage outside of the Exchange.

7. What are the benefits to Idaho of a state-based Health Insurance Exchange?

Idaho has among the lowest health insurance rates in the nation. Creating a HIE will help us maintain state control of Idaho's health insurance industry. Advantages of local control include having a local board meeting in public to discuss and decide key exchange issues, preserving as much flexibility as possible for Idaho health insurance customers, assuring more fiscally responsible operations, and having locally based management and consumer assistance.

8. Will everyone be required to buy health insurance?

Starting in 2014, most Americans will be required to enroll in a health insurance plan with basic minimum standards. Those who do not and are not otherwise exempt will be subject to a penalty.

9. What is the timeline for implementation?

As soon as the Legislature approves, Idaho will be ready to actively implement an exchange. The HIE must be open for enrollment by October 1, 2013.