



## Exchanges: Contrasting Two Models

### Idaho Controlled, Federally Funded

Advantages	Disadvantages
1. Idaho regulators retain authority to manage the Idaho market and all parties have ability to resolve issues at state level.	1. Without detailed regulations, could be more costly; or, a model could be built which would require re-work.
2. The ability for a broad range of Idaho stakeholders to have input to the Exchange process. This helps assure the Exchange can be designed for all Idahoans, including both rural and urban populations.	2. Schedule risk that Idaho will not meet certification determination deadline and be forced to accept Federally Controlled Exchange Fall-Back.
3. Ability to maintain/create a meaningful role for the independent broker community	3. With no implementations completed to date, less/no opportunity to leverage early adopters findings until much later in the process.
4. The Exchange can be designed with minimal complexity, and the lowest possible cost of on-going operations and maintenance.	4. There may be an impact on Carrier/Broker relationships. Carriers currently rely on Brokers as the primary distribution channel for products and services. The exact role of an independent Broker cannot yet be defined.
5. Least restrictive governance, fewest possible mandates, and preserves both individual and small group insurance markets.	5. Politics of funding and use of federal funds may be an issue
6. Positive impact on Idaho jobs: ability to hire Idahoans to build and maintain the Exchange, and minimizes impact on Idaho Broker community.	



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### Federally Controlled & Funded

Advantages	Disadvantages
1. It is likely that Carriers presently doing business in Idaho will be qualified plans under a federal exchange and could also sell outside the exchange.	1. A Federal Exchange would be a <i>market-maker</i> vs. <i>market organizer or regulator</i> . Outcomes include less local control and greater, more stringent regulation by the federal agencies. While specific details are few, prior statements from federal agencies indicate mandates and regulations that would lead to higher costs for Idahoans.
	2. The cost for Carriers to tie into Federal Exchange may be significantly higher, and few detailed requirements and definitions create a great lack of certainty.
	3. Less creativity and collaboration to control costs for implementation and maintenance
	4. Carriers currently rely on Brokers as the primary distribution channel for products and services and the independent Broker community could be severely impacted. Brokers pay Idaho taxes, employ Idahoans, and contribute to the Idaho economy.
	5. More restrictions on health plan offerings are likely in a Federally Controlled Exchange.
	6. Little, if any, opportunity for input from Idaho stakeholders in the design and function of a Federal Exchange. Highly likely that it will be a template created for broad adoption,