

Health Insurance Exchange Statement

Massachusetts and Utah were among the first states to set up health insurance exchanges. Similar entities were subsequently referenced as health benefit exchanges in Subtitle D, Part II of the federal [Patient Protection and Affordable Care Act of 2010](#). [Massachusetts Chapter 58 of 2006](#) is highlighted in the *2008 Suggested State Legislation* volume. Among other things, that law created a [Health Connector](#) to facilitate the availability, choice, and adoption of private health insurance plans to eligible individuals and groups.

Utah enacted [HB 188](#) in 2009 to expand access to the health insurance market, increase market flexibility, and provide greater transparency in the health insurance market. That bill:

- Prohibits balanced billing by certain health care providers in certain circumstances;
- Revises the basic benefit plan used for consumer comparison of health benefit products;
- Requires the state insurance department to include in its annual market report a summary of the types of plans sold through an Internet portal, including market penetration of mandated “lite” products;
- Allows insurers to offer lower cost health insurance products that do not include certain state mandates in the individual market, the small employer group market, and in the conversion market;
- Creates a NetCare Plan, a low cost health benefit plan as an alternative to federal COBRA, state mini-COBRA, and conversion products;
- Requires health insurance brokers and producers to disclose their commissions and compensation to their customers prior to selling a health benefit plan;
- Modifies the number and type of products an insurer must offer in the small employer group market and the individual market;
- Establishes a defined contribution arrangement market available on an Internet portal which will be available to small employer groups and large employer groups and offers a wider range of choices of health benefit plans to employees;
- Establishes a board within the state insurance department with the responsibility to develop a risk adjustment mechanism that will apportion risk among the insurers participating in the Internet portal defined contribution market to protect insurers from adverse risk selection;
- Requires insurers who offer health benefit plans on the Internet portal to provide greater transparency and disclose information about the plan benefits, provider networks, wellness programs, claim payment practices, and solvency ratings;
- Establishes a process for a consumer to compare health plan features on the Internet portal and to enroll in a health benefit plan from the Internet portal;
- Requires the state office of consumer health services to convene insurers and health care providers to monitor and report to a Health Reform Task Force and to the legislature about progress towards expanding access to the defined contribution market, greater choice in the market, and payment reform demonstration projects;
- Establishes limited rulemaking authority for the state office of consumer health services to assist employers and insurance carriers with interacting with the Internet portal and facilitate the receipt and payment of health plan premium payments from multiple sources; and
- Authorizes the state office of consumer health services to establish a fee to cover the transaction cost associated with the Internet portal functions such as sending and processing an application or processing multiple premium payment sources.

Submitted as:
Utah
[HB 188](#)
Status: Enacted into law in 2009.