More Funding Released for Insurance Exchanges

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In the world of health care, it seems federal funding is ever flowing. Yesterday, the Department of Health and Human Services (HHS) released a round of health insurance exchange establishment **grants** to Indiana, Rhode Island, and Washington state, totaling an estimated $35 million. **Washington** state is receiving $23 million, which will bolster its localized approach to health care reform. Indiana, receiving $6.9 million, has already **contracted** with Deloitte to help define and develop exchange business requirements, and First Data Government Solutions to conduct eligibility determination system planning **services**. Indiana still has some kinks to work out; however, the Indiana Senate and House passed **Senate Bill 461**, which reads a "state agency may not implement or prepare to implement the federal health care act," and may not adopt regulations unless authorized by state law. It is important to note that an agency may not apply for or accept a grant related to the Affordable Care Act unless it is reviewed and recommended by the legislative council. Last but not least, Rhode Island received $5.2 million to strengthen health IT **systems**, develop an integrated consumer support **program**, and strengthen business operations. As part of exchange planning, Rhode Island will look to procure a benefit exchange Web **portal** and reporting **system**.

Unfortunately for most states, HHS, while generous with funding, has not budged on exchange time constraints – insurance exchanges must be operational by January 1, 2014. This enormous milestone has most states agreeing that planning needed to start years ago to be able to design, develop, and implement brand new IT systems in time. With an estimated 36 million newly eligible Medicaid recipients, exchanges will not be the only IT systems worked on. States will need to take a good look (and heavily lean on vendors for help) at how they currently address the entire spectrum of benefit assistance. Redesigning a Medicaid eligibility **system** to connect with an insurance exchange might mean changing a system that touches eligibility for Temporary Assistance for Needy Families (TANF), the Children's Health Insurance Program (CHIP), the Supplemental Nutrition Assistance Program (SNAP), or in some highly interconnected eligibility systems, child care and child support.

Vendors interested in tapping into the exchange market need to be able to deliver innovative solutions in short time frames. Interoperable components and platforms are a must to allow for the flexibility of connecting programs down the road. Vendors needing a refresher course on health insurance exchanges can download GovWin's **report** and look for an upcoming analyst perspective on the topic. Remember to connect with us on **Twitter** and **LinkedIN**!