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The Voice of Illinois Consumers

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If done well, proponents say, the Competitive Health Care Marketplace (formerly called the insurance exchange) would make it easier to buy health insurance and lead to lower prices because of increased competition. But, if designed poorly or if this process is controlled by the insurance industry and their friendly allies in the Illinois General Assembly, experts warn, healthy people could avoid the exchanges, leaving them to sicker people with rising premiums.

Here are some common questions:

What is a Competitive Health Care Marketplace, as envisioned by the health law?

It's a marketplace where individuals and small employers will be able to shop for insurance coverage. They must be set up by Jan. 1, 2014. The exchanges will also direct people to Medicaid if they're eligible.

Will all states have Competitive Health Care Marketplaces?

States have the option of setting up their own Competitive Health Care Marketplace, forming coalitions with other states to create regional exchanges - or opting out altogether. In that case, the federal government will run the Competitive Health Care Marketplace for their residents.

Will anyone be allowed to buy from the Competitive Health Care Marketplace?

No. Initially, exchanges will be open to individuals buying their own coverage and employees of firms with 100 or fewer workers (50 or fewer in some states). Most Americans will continue to get insurance through their jobs, not via the Competitive Health Care Marketplace. The Congressional Budget Office estimates 11.5 million people will use the Competitive Health Care Marketplace in 2014 and 27.1 million in 2018. Most will be people who are eligible for subsidies, which will average an estimated \$4,600 per person in 2014. Undocumented immigrants will be barred from buying insurance on the Competitive Health Care Marketplace.

What about federal workers?

Members of Congress and their staffs will be required to buy through Competitive Health Care Marketplace if they want coverage from the federal government. Other federal employees won't be required to use a Competitive Health Care Marketplace.

Will exchanges be like travel websites or some existing health insurance sites?

In some ways. People will be able to compare policies sold by different companies. Purchasing insurance is complex and can be confusing, so information on the plan benefits will be standardized in an effort to make it easier to compare cost and quality. Plans will be divided into four different types, based on the level of benefits: bronze, silver, gold and platinum.

What will the coverage sold on the Competitive Health Care Marketplace look like?

Plans will have to offer a set of "essential benefits." Those details, still being developed by the Obama administration, will include hospital, emergency, maternity, pediatric, drug, lab services and other care.

Annual cost-sharing, or the amount consumers must fork over before insurance payments kick in, will be capped at the amounts allowed for health savings accounts -- currently, nearly \$6,000 for individual policies and \$12,000 for family plans.

How much will the policies cost?

The premiums will vary by type of plan and location. Insurers won't be able to charge more based on gender or health status. They will be able to charge older people up to three times more than younger ones.

Will the states negotiate premiums with the insurers?

The law doesn't require states to set or negotiate premiums. However, states may have some influence over prices. For example, states can decide whether to open the Competitive Health Care Marketplace to all insurers, or to limit the number. State insurance commissioners will be able to recommend whether specific insurers should be allowed to sell in the Competitive Health Care Marketplace, partly based on their patterns of rate increases.

What if I can't afford the premiums?

People who earn less than 133 percent of the federal poverty level, \$14,484 this year, will qualify for Medicaid in all states, under the law. Above that, sliding scale subsidies for private insurance on the exchanges will be available for residents who earn up to 400 percent of the poverty level, about \$43,560 this year. Most people will be required to have coverage of some sort beginning in 2014.

Will all insurers have to offer policies through the Competitive Health Care Marketplace?

No. Insurers won't be required to sell through the Competitive Health Care Marketplace.

Will all state Competitive Health Care Marketplaces be the same?

No. States can design their Competitive Health Care Marketplace differently, an issue that's sparking debate in statehouses nationwide. Some states may choose to set additional standards for insurers beyond the federal law. Another important issue: The makeup and power of the governing boards overseeing the Competitive Health Care Marketplace. Some states, such as Maryland, are considering barring insurance industry and sales agents from their governing boards. Others, like North Carolina, have pending legislation that includes representatives from those groups on their governing boards.