



## THE HEALTH INSURANCE EXCHANGE

Affordable Health Care for America Act will reform the broken insurance marketplace to ensure that everyone can purchase quality, affordable health coverage. A critical piece is a new Health Insurance Exchange (the Exchange) for individuals and employees of small businesses to allow them to comparison shop for coverage. This Exchange will revolutionize health insurance purchasing and will help reduce the growth in health care spending by encouraging competition on price and quality, not benefit manipulation or efforts to exclude people with pre-existing conditions. Businesses that want to continue providing their own health coverage as they do today will be able to continue to do so – no business is required to enter. Business participation in the Exchange is simply a new option for those that are eligible.

### ABILITY TO COMPARISON SHOP

- Gives people the ability to choose from a variety of plans — including a new public health insurance option.
- Provides standardized benefit packages so people can comparison shop and make informed choices based on cost and quality.
- Small plans and national plans have an equal opportunity to offer coverage and will compete locally.

### AFFORDABILITY (SEE FACT SHEET "MAKING COVERAGE AFFORDABLE" FOR MORE DETAILS)

- To ensure that health care is affordable to people of all incomes, new affordability credits will be available for people purchasing through the Exchange. The credits will assist people with incomes up to 400% of the federal poverty level (\$43,000 for individuals or \$88,000 for families of four) and will phase-out on a sliding-scale basis as income rises.
- Establishes a cap on premiums and out-of-pocket spending. These protections keep individuals and families at all incomes from bankruptcy due to medical expenses.

### TRANSPARENCY

- Brings transparency to the health care marketplace, so that families know what benefits their plan covers and what it will cost them.
- Requires plans to explain their coverage in plain language, so that consumers can make informed choices about their medical care.

### STANDARDIZED BENEFITS (SEE BENEFITS FACT SHEET FOR DETAILS)

- Allows consumers to choose coverage among several standard benefit packages.
- Provides comprehensive health care services with different levels of cost sharing.
- Includes a Premium Plus plan that creates options for additional health care benefits that are not included in the core benefit standards.

### ADVANTAGES FOR SMALL BUSINESSES

- Gives small employers the opportunity to provide their employees with broad choices for coverage and the ability to eliminate the administrative costs of maintaining their own health plan contracts by offering coverage through the Exchange.
- The Health Insurance Exchange is opened to small employers first (those with 25 or fewer employees in the first year, and 50 or fewer in the second year, and a minimum of 100 or fewer in the third year). The Health Choices Commissioner will have the authority to continue opening the Exchange to larger employers from that point forward.