

Cooperative Agreement to Establish the North Carolina Health Benefit Exchange North Carolina Department of Insurance

The North Carolina Department of Insurance (NCDOI) is applying for Level I funding for the Cooperative Agreement to Support Establishment of a State-Operated Health Benefit Exchange. The NCDOI is responsible for implementing the insurance-related requirements of the Patient Protection and Affordable Care Act (ACA) and for regulating the insurance industry in North Carolina in general. The NCDOI will be closely involved in the establishment of the North Carolina Health Benefit Exchange (NCHBE). Level I funding will be used to build upon activities facilitated by the Exchange Planning Grant to develop the NCHBE. In particular, funding will be utilized for the following activities:

1. Engaging stakeholders and performing analysis to address outstanding policy decisions;
2. Expansion of a new eligibility system to accommodate the NCHBE and development of business and systems requirements for the NCHBE for eligibility and non-eligibility functions in anticipation of needed procurements;
3. Creation of a comprehensive work plan and budget for NCHBE implementation, a financial sustainability plan for NCHBE operations post-2014, and a preliminary evaluation plan;
4. Enhancement of the NCDOI consumer assistance program;
5. Development of proposed legislation and regulations for NCHBE-related health insurance market reforms; and
6. Support for start-up operations of the NCHBE.

The development of Health Benefit Exchanges mandated by the ACA will significantly change health insurance delivery and consumer access to coverage. A recent report by Milliman, Inc. found that expansion of Medicaid, and availability of premium subsidies and reduced cost sharing through the NCHBE, is expected to decrease the percentage of non-elderly uninsured North Carolinians by ten percentage points, from 18% to 8%. The anticipated reduction in the number of uninsured residents is partially due to the creation and operation of the NCHBE in the State, providing many of the currently uninsured with access to subsidized coverage.

It is projected that the NCHBE would provide coverage to roughly 700,000 North Carolinians in the small group and individual markets in 2014, many of whom currently have limited or no access to coverage. In addition, the NCHBE would benefit individuals eligible for other health and human services programs. The NCHBE, in partnership with the NCDHHS, will determine eligibility for public medical assistance programs and facilitate enrollment in coverage, as appropriate.