



2023-2024 General Assembly

HOUSE BILL 259: 2023 Appropriations Act, Sec. 30.9: Proposal for State-Based Health Benefits Exchange

Committee:
Introduced by:
Analysis of: Sec. 30.9 of S.L. 2023-134

Date: November 20, 2023
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Staff Attorney

OVERVIEW: Section 30.9 of S.L. 2023-134 directs the Commissioner (Commissioner) of the Department of Insurance, in consultation with the Secretary (Secretary) of the Department of Health and Human Services to create a plan to develop a state-based health benefits exchange in compliance with the Affordable Care Act (ACA). The Commissioner must also seek a waiver under section 1332 of the ACA.

This section became effective July 1, 2023.

CURRENT LAW: Under the ACA, individuals who purchase insurance on a state-established exchange are eligible for certain tax credits. In 2014, the Supreme Court ruled individuals who purchased insurance on the federally-established exchange were also eligible for those tax credits. North Carolina currently uses the federally-established exchange.

BILL ANALYSIS: Section 30.9 of S.L. 2023-134 directs the Commissioner, in conjunction with the Secretary, to create a plan to develop a state-based insurance exchange for selling ACA-compliant healthcare policies. As part of this plan, the Commissioner must also seek a waiver under section 1332 of the ACA. The plan and waiver must consider the following:

- Stabilization strategies aimed at addressing risk associated with individuals with high healthcare costs.
- Individual coverage Health Reimbursement Arrangements for employees of large and small businesses within the State.
- Financial assistance for various types of health insurance plans, including nonqualified health plans, for individuals purchasing coverage on the State-based exchange.
- A new, state-administered subsidy program for (i) individuals and families and (ii) small businesses purchasing coverage for employees through the state-based exchange.
- The establishment of account-based premium credits for individuals and families enrolled in healthcare coverage through the state-based exchange.
- The use of any available federal funding or grants for the creation of the state-based exchange, or necessary information technology to support the exchange, or both.
- The establishment of a reinsurance program that seeks to maximize federal funding for the program and stabilize the rates and premiums for health insurance policies offered North Carolina.

The Commissioner must provide the details of the plan and waiver to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Health and Human

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Services by May 15, 2024. The Commissioner can not submit the waiver to the federal government or take any actions to implement a state-based exchange without further authorization from the General Assembly.

EFFECTIVE DATE: This section became effective July 1, 2023.