

# PUBLICATION

---

## **HHS Offers \$51 Million in Grants to Help States Establish Health Insurance Exchanges and Solicits Comments**

**July 30, 2010**

The Department of Health and Human Services (HHS) announced today the availability of \$51 million in grants to help states begin to establish health insurance exchanges. The Patient Protection and Affordable Care Act (PPACA) established health insurance exchanges with the goal of providing individuals and small businesses more choice in purchasing affordable and standardized health insurance. The exchanges are meant to provide "one-stop shopping" to consumers where they can compare and purchase coverage. Pursuant to the new law, states may choose to operate their own exchange or partner with other states to operate a regional exchange, which must be functional on January 1, 2014. On or by January 1, 2013 if a state has chosen not to operate an exchange or the Secretary of HHS determines the state shall be unable to implement on or before the January 1, 2014 deadline, the Secretary is required to establish and operate an exchange on their behalf.

This is the first round of grants and it will give states resources to conduct research and planning needed to establish the exchanges. Each state is eligible for up to \$1 million in grants and must submit an application. Applications are due by September 1, 2010.

Additionally, HHS published a request for public comment as it develops standards for the exchanges pursuant to its regulatory authority under PPACA. The request asks states, consumer advocates, employers, and other interested parties to provide input as HHS develops rules for the exchanges. Comments are due by October 4, 2010.

If you have any questions or would like assistance in applying for these grants or submitting comments regarding the exchange standards, please contact your Baker Donelson attorney.