

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

Bruce R. Ramge
Director

February 20, 2013



Dave Heineman
Governor

Gary Cohen
Deputy Administrator and Director
Center for Consumer Information and Insurance Oversight
Centers for Medicare and Medicaid Services
200 Independence Avenue SW
Washington, D.C. 20201

RE: Nebraska's Selection Regarding Plan Management

Dear Director Cohen:

We have reviewed the options for plan management provided to us the week of February 11, 2013. While we are not entering into a formal "partnership plan" with the federal government, we agree to perform plan management functions as outlined in our discussions with your staff and described to us as Option 1. Nebraska can perform the functions as listed in section four of the blueprint. It is our understanding that we do not have to submit a blueprint application; rather, this letter will suffice.

Nebraska believes that this function would fall in line with our routine duties as the primary regulator of the business of insurance. It is also a function that falls into line with what we had anticipated performing. Finally, this agreement is within the spirit of what our policymakers in Nebraska have said. While we believe a state based exchange is too expensive and the rules issued by the federal government are not flexible enough for the operation of a truly state-based exchange, the guiding principal for Nebraska has been to make this transition as smooth as possible for our citizens and to retain our authority under state law for the regulation of insurance.

Nebraska has the legal authority and capability to perform these reviews so long as the funding via various appropriations, including grants and future contracts with the federal government, are made available. The Department would further encourage that funds from our various federal grants be allowed to be used for these purposes and allowed to be extended to carry out the forthcoming agreement. As discussed with your staff, a subsequent contract entered into between the State of Nebraska and the federal government to perform these projects should be explored as well.

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We will collect and analyze information on plan rates, covered benefits, and cost-sharing requirements pursuant to law. We will help to ensure ongoing plan compliance and resolve consumer complaints, provide issuer technical assistance as needed and help manage the decertification of issuers and associated appeals in compliance with applicable law.

After discussion with your staff, it is our understanding that consumer complaints about the plans or policies will remain with the Department while the federal government will review enrollment issues via the federally facilitated exchanges. We will also provide "issuer technical assistance" which, per the discussion with your staff, means answering questions about the plans themselves, the QHP review process and other traditional state roles. The federal government will answer questions from issuers regarding matters about the exchange itself and the technical requirements for operation of the federal exchange. While it is unclear how the decertification of qualified health plans will work, pursuant to our discussion with federal officials, the Department can recommend decertification and the notice of decertification to the policyholders would come from the federal government. It is also anticipated that any appeal regarding the decertification of a plan will be completed through the federal government based on information received from the states.

The Department appreciates the opportunity to perform this traditional state function and would welcome any questions that you may have regarding our system in Nebraska.

Sincerely,


Bruce R. Ramge
Director

BRR:msj