



Health Insurance Marketplaces

OVERVIEW

The Patient Protection and Affordable Care Act (ACA) created health insurance marketplaces (also called exchanges) where individuals and small businesses can purchase health insurance. The ACA gave states the option of creating their own marketplaces or allowing the federal government to run them, providing considerable federal planning and development funds as part of the process. Individuals seeking marketplace coverage are to be screened for Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrolled as appropriate. Those in families with incomes below 400% of the federal poverty level (FPL) will receive advanced premium tax credits to help purchase insurance, and those with incomes below 250% FPL will receive cost sharing reductions.

All marketplace plans must be qualified health plans (QHPs) and meet minimum federal requirements, including the provision of essential health benefits (EHB). Plans are sold in 4 tiers—platinum, gold, silver, and bronze—each meeting an actuarial value standard and following established limits on cost sharing and other requirements. In May 2017, the Centers for Medicare and Medicaid Services (CMS) announced it would be closing the Small Business Health Option Program (SHOP) marketplace for small businesses in 2018, due to low enrollment.

AAP POSITION

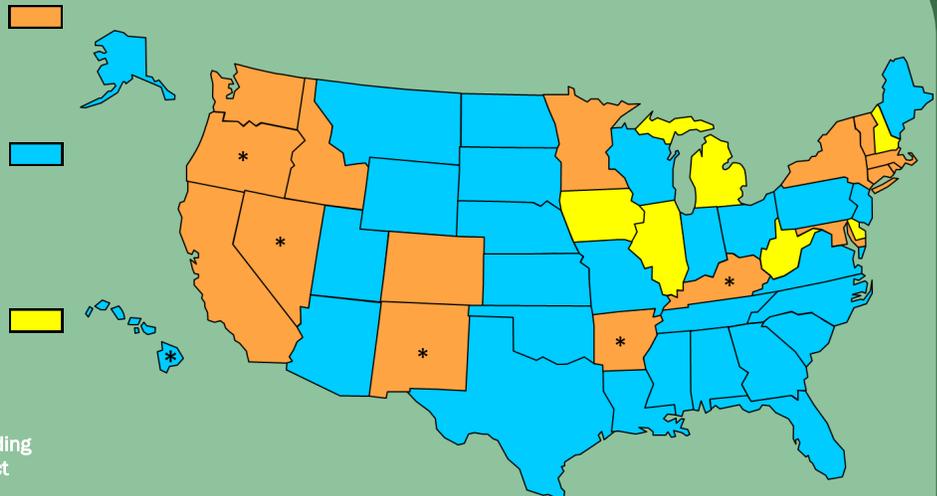
- The AAP advocates for universal and insured financial access to quality health care for all newborns, infants, children, adolescents, young adults, and pregnant women.
- The AAP supports a “no wrong door” approach to insurance obtained through a marketplace, so children and families are immediately enrolled in the insurance programs or plans for which they are found eligible.
- Benefits provided in plans sold through marketplaces should provide all services children need, including, at minimum, those services outlined in the AAP Policy Statement, [Scope of Health Care Benefits for Children From Birth Through Age 26](#). Essential health benefits (EHB) packages may need to be supplemented to ensure children receive all eligible services, particularly in the areas of habilitative care, mental and behavioral health, and vision and oral health care.
- Families are encouraged to thoroughly consider the needs of children and purchase health insurance plans that meet those needs.
- All insurance plans and marketplace policies should encourage maintenance of the medical home, where the pediatrician, other physicians, and the pediatric care team works in partnership with a child and a child's family to assure that all of the medical and nonmedical needs of the patient are met.

FACTS

- In 2016, 95.5% of all US children were insured; up from 95.2% in 2015. Medicaid and CHIP have continued to provide a critical health insurance safety net for children during a slow nationwide economic recovery.
- Health insurance marketplaces opened November 15, 2014 and provide coverage options for those without access to affordable employer based coverage. Open enrollment period for the 2018 plan year was November 1, 2017 through December 15, 2017, about half as long as it has been in previous years. Some states with state based marketplaces have decided to make enrollment periods longer.
- The recent repeal of the individual mandate and uncertainty regarding cost sharing reduction (CSR) payments to insurers is likely to result in higher premium rates for many consumers.
- Enrollment figures indicate that 12.2 million individuals enrolled for private coverage through marketplaces at the end of the last open enrollment period, and as many as 74.2 million are enrolled in Medicaid and CHIP as of October 2017.

PROGRESS

- 16 states and DC—declared a state based marketplace (SBM)
- 28 states—declared a federally facilitated marketplace (FFM)
- 6 states—declared a partnership marketplace (PM)



For information on current law or pending legislation in your state, please contact AAP State Advocacy at stgov@aap.org

**State is considered to be a state based marketplace but is supported by the federal marketplace Web site, healthcare.gov.*

MORE

- [Healthcare.gov](http://www.healthcare.gov) – www.healthcare.gov
- [Making Health Insurance Exchanges Work for Kids \(First Focus Report\)](http://firstfocus.org/resources/fact-sheet/making-health-insurance-exchanges-work-for-kids/) – <http://firstfocus.org/resources/fact-sheet/making-health-insurance-exchanges-work-for-kids/>
- [Kaiser State Health Insurance Marketplace Profiles](http://kff.org/state-health-marketplace-profiles) – <http://kff.org/state-health-marketplace-profiles>
- [Center for Children and Families: Children in the Marketplace](http://ccf.georgetown.edu/wp-content/uploads/2016/06/Kids-in-Marketplace-final-6-02.pdf) – <http://ccf.georgetown.edu/wp-content/uploads/2016/06/Kids-in-Marketplace-final-6-02.pdf>