

Welcome to MI HEALTH Marketplace

9/21/2011 James G. Cavanagh

Governor Rick Snyder recently announced his Administration's intent to create MI HEALTH Marketplace, a nonprofit corporation where Michigan individuals and small businesses can shop for health insurance.

This is Michigan's version of a health-care insurance exchange mandated by the federal Patient Protection and Affordable Care Act (PPACA). Under the PPACA, each state is required to operate a health insurance exchange by Jan. 1, 2014 or the federal government will operate the exchange for the state.

The PPACA has strict requirements for exchanges. They include:

- All exchanges must be certified by the federal government by Jan. 1, 2013
- Open enrollment must begin by Oct. 1, 2013
- The Marketplace or exchange must be fully operational on Jan. 1, 2014
- The Marketplace or exchange must be financially self sustaining as of Jan. 1, 2015

As mandated by PPACA, an exchange must include a "qualified health plan," as determined by the state and federal government. The exchange also must have at least four coverage options, with Bronze coverage being the least expensive and Platinum coverage costing – and covering -- the most.

The Snyder Administration stressed that the MI HEALTH Marketplace was not an adoption of "Obamacare." It was created to make the Marketplace concept more palatable to Republican majorities in both the House and Senate. Republicans adamantly opposed the PPACA and, in particular, its provision calling for an individual mandate to purchase health insurance.

Ultimately, the question of whether or not Congress acted within its power to regulate interstate commerce when it passed the PPACA will be decided by the U.S. Supreme Court. In the meantime, several states with Republican legislative majorities have decided to work toward implementation of the Act even though they are philosophically opposed and may risk primary opposition from the Tea Party faction of the GOP. Unlike Texas and Florida Republicans, the prevailing view in Michigan is "better the devil you know than the one (federal government) you don't know."

In contrast to the perceived rigidness of "Obamacare," the Administration said the MI HEALTH Marketplace will make shopping for insurance as easy as any online shopping experience. MI HEALTH Marketplace will be a non-exclusive insurance portal. In fact, whether or not the Act is upheld, the Snyder Administration intends to keep and maintain the Marketplace as the ideal place to shop for health coverage.

The MI HEALTH Marketplace is not for Medicaid or MI CHILD recipients, but individuals eligible for those programs will be able to enroll through the same web site. The hope is to have a completely integrated system. Personnel from the state's departments of Community Health, Human Services and Technology, Management and Budget are working to ensure seamless transitions between Medicaid and private coverage.

Enabling legislation for MI HEALTH Marketplace will be introduced soon. We anticipate the Senate Committees on Health Policy and Insurance will review the legislation, as will their counterparts in the House.

Warner attorneys will be at the Capitol to help shape this legislation and to protect our clients' interests. If you have questions or would like more information about MI HEALTH Marketplace, please contact James Cavanagh (517.679.7410 or jcavanagh@wnj.com) or any other member of the Government Affairs or Employee Benefits groups.