



**FOR IMMEDIATE RELEASE**

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## **With Deadlines Looming, Virginia May Default to a Federally Facilitated Exchange**

RICHMOND – Unless legislators develop a detailed plan for setting up a state-run health benefits exchange in the next two months, the federal government likely will step in to design and run one to ensure that Virginians get access to comprehensive, affordable and secure health insurance choices, according to a new report released today by The Commonwealth Institute for Fiscal Analysis.

“Virginia policymakers have said they want a Virginia-run marketplace for individuals and small businesses to buy health insurance coverage,” said Michael Cassidy, President and CEO of The Commonwealth Institute. “The key question now is whether there is even enough time to meet the requirements for such a state exchange.”

The new report, *No Time to Waste*, documents the looming deadlines facing Virginia in creating a state-run health benefit exchange marketplace for individuals and small business workers, and also summarizes key decisions lawmakers must address.

- **November 16, 2012**—Virginia must file a letter of intent signed by the Governor and submit a comprehensive “blueprint” document outlining state progress or completion of health benefit exchange requirements.
- **January 1, 2013**—The U.S. Department of Health and Human Services (HHS) will announce whether states meet the requirements for a state exchange. A state could also gain conditional approval if they are on track to authorize and organize an exchange. Virginia’s General Assembly has yet to authorize an exchange.
- **October 1, 2013**—States running their own exchange marketplaces must be ready to enroll consumers and have technology that seamlessly coordinates with Medicaid and other public programs in advance of the 2014 open enrollment period.
- **January 1, 2014**—The state-run individual and SHOP exchanges must be fully operational for Virginians to access and purchase private health insurance.

In order to authorize an exchange, Governor McDonnell and the General Assembly still must address several key outstanding issues that include: who will run an exchange; how will Virginia ensure effective consumer assistance programs; how will the state provide seamless coordination between the new health benefit exchange and the state’s Medicaid program; and what will be the essential benefit package that must be included in all health plans offered through the exchange.

“Legislators said they wanted a state-run exchange that provides accessible, affordable and comprehensive insurance for Virginians who cannot access or afford coverage through their employer,” said Cassidy. “And it

is still possible for state leaders to come together to create one. But time is running short and there remain a number of unresolved issues for lawmakers to decide on.”

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### **About The Commonwealth Institute**

The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons. Our products inform fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole. Visit [www.thecommonwealthinstitute.org](http://www.thecommonwealthinstitute.org) for more information.

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