

News Release

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States Leading the Way on Implementation: HHS Awards “Early Innovator” Grants to Seven States

The U.S. Department of Health and Human Services (HHS) today announced the award of seven cooperative agreements to help a group of “Early Innovator” states design and implement the information technology (IT) infrastructure needed to operate Health Insurance Exchanges.

These states are leading the way on building a better health insurance marketplace, one that allows individuals and small-business owners to pool their purchasing power to negotiate lower rates. Using these new funds, the Early Innovator states will develop Exchange IT models that can be adopted and tailored by other states.

Kansas, Maryland, New York, Oklahoma, Oregon, Wisconsin, and a consortium of New England states will receive a total of approximately \$241 million. Information on how much each state or consortium will receive and how each will use the grant funds is available at www.HealthCare.gov/news/factsheets/exchanges02162011a.html.

“Early Innovator states will play a critical role in developing a consumer-friendly marketplace where insurers must compete to deliver the best deal,” said HHS Secretary Kathleen Sebelius. “These grants ensure that consumers in every state will be able to easily navigate their way through health insurance options.”

Starting in 2014, Exchanges will help individuals and small employers shop for, select, and enroll in high-quality, affordable private health plans that fit their individual needs at competitive prices. By providing a place for one-stop shopping, Exchanges will make purchasing health insurance easier and more understandable. Similar to any consumer-based industry such as the airline or banking industries, sophisticated, consumer-friendly IT infrastructure will be critical to the success of the Exchanges. Although Exchanges are not scheduled to launch until 2014, work is already underway to design and implement them across the country. As states prepare, they have requested early funding assistance to develop the right IT, particularly with respect to eligibility and enrollment systems.

All Early Innovator states have committed to assuring that the technology they develop is reusable and transferable. Using the grants, they will develop the building blocks for Exchange IT systems, providing models for how Exchange IT systems can be created. This will help states to establish their Exchanges quickly and efficiently using the models and building blocks created by the Early Innovator states. At the same time, states continue to have the flexibility to develop an Exchange that best meets the needs of their unique health insurance market without having to start from scratch.

The seven grantees offer a diversity that will be valuable to all states as they work to set up their Exchanges. The grantees represent different regions of the country, as well as different Exchange governance structures and Information Systems. This diversity will help ensure that a

wide range of IT models are developed, and every state will benefit.

“Everyone wins,” said Don Berwick. “This grant program means that states don’t have to waste money reinventing the wheel, and consumers get the best of the best.”

Summary of Early Innovator Grants

- **Kansas:** Kansas Insurance Department, \$31,537,465
- **Maryland:** Maryland Dept of Health and Mental Hygiene, \$6,227,454
- **Multi-State Consortia:** University of Massachusetts Medical School, \$35,591,333
 - **New York:** New York Department of Health, \$27,431,432
 - **Oklahoma:** Oklahoma Health Care Authority, \$54,582,269
 - **Oregon:** Oregon Health Authority, \$48,096,307
- **Wisconsin:** Wisconsin Department of Health Services, \$37,757,266

For more information on grant specifics and state summaries, please visit www.HealthCare.gov/news/factsheets/exchanges02162011a.html.

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Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.

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