

FACT SHEET: Health Insurance Enforcement and Consumer Protections Cycle I Grant Awards

The Centers for Medicare & Medicaid Services (CMS) awarded approximately \$25.5 million to 22 states and the District of Columbia to use for enforcement and oversight of issuer compliance with select Affordable Care Act (ACA) key consumer protections. These awards allow states to use the funding for activities related to planning and implementing selected Federal market reforms and consumer protections including: essential health benefits, preventive services, parity in mental health and substance use disorder benefits, appeals processes, and bringing down the cost of health care coverage (also known as medical loss ratio (MLR) provision).

These additional grants will help support State Departments of Insurance efforts to make sure their laws, regulations, and procedures are in line with Federal requirements and that states are able to effectively oversee and enforce issuer compliance with consumer protections guaranteed by the ACA. State Departments of Insurance are vital to the oversight of health insurance issuers and are responsible for ensuring premiums are reasonable and justified, companies are solvent, and consumers are protected.

Grant Awards Overview:

Approximately \$21.6 million is being awarded to assist State Departments of Insurance in planning and implementing select key insurance market reforms and consumer protections (see Table 1 for a breakdown by market reform). The remaining funds will be used towards other allowable expenses under the grant to fund other activities that are not directly related to planning or implementing a single market reform, but that extend across all of the select key market reforms (such as travel, supplies and equipment, and indirect costs). The grant will have a project and budget period of 24 months from the award date, October 31, 2016, to October 30, 2018. Each applicant awarded a grant will receive a minimum baseline amount of \$476,998 (see table 2 for award totals by state). However, some states chose to request less than the minimum baseline amount. In addition to receiving a baseline award each applicant awarded a grant will also receive funding for the “Selected Market Reforms” and “Workload” funds. Workload funds are determined based on the population and number of health insurance issuers in the State.

Table 1: Funding Breakdown by Market Reform

Market Reform	Total Award Amount (approx.)	Number of Jurisdictions to Receive Funding
Essential Health Benefits (Section 2707)	\$3.5M	16 ¹
Preventive Health Services (Section 2713)	\$5.3M	19 ²
Bringing down the Cost of Health Care Coverage (MLR) (Section 2718)	\$1.4M	10 ³
Appeals Process (Section 2719)	\$2.1M	11 ⁴

¹ Jurisdictions receiving funding for Section 2707: CA, CO, DC, HI, IL, IN, MI, MN, MS, NH, NM, OR, PA, RI, UT, WA.

² Jurisdictions receiving funding for Section 2713: CA, CO, DC, HI, IL, IN, KY, MA, MI, MN, MS, NC, NE, NH, NM, OR, PA, RI, UT.

³ Jurisdictions receiving funding for Section 2718: CA, CO, HI, IL, IN, KY, MA, MS, PA, UT.

⁴ Jurisdictions receiving funding for Section 2719: AK, CO, DC, HI, IL, IN, MI, NE, PA, RI, UT.

Parity in Mental Health and Substance Use Disorder Benefits (Section 2726)	\$9.3M	20 ⁵
--	--------	-----------------

Grants will be awarded to the District of Columbia and the following states: Alaska, California, Colorado, Hawaii, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, North Carolina, Nebraska, New Hampshire, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Utah, and Washington.

Table 2: Health Insurance Enforcement and Consumer Protections Cycle I Grant Awards by State

#	State	Total Award Amount
1	Alaska	\$629,841.00
2	California	\$1,844,585.00
3	Colorado	\$1,328,508.00
4	District of Columbia	\$1,138,052.09
5	Hawaii	\$1,210,906.86
6	Illinois	\$1,377,567.36
7	Indiana	\$1,297,729.08
8	Kentucky	\$873,652.00
9	Massachusetts	\$1,206,525.03
10	Maryland	\$249,070.00
11	Michigan	\$1,024,301.64
12	Minnesota	\$1,160,020.69
13	Mississippi	\$1,152,710.14
14	North Carolina	\$1,114,013.82
15	Nebraska	\$1,068,804.31
16	New Hampshire	\$1,120,164.00
17	New Mexico	\$1,159,064.00
18	New York	\$1,244,446.34
19	Oregon	\$1,245,919.00
20	Pennsylvania	\$1,486,251.00
21	Rhode Island	\$1,090,263.35
22	Utah	\$996,216.82
23	Washington	\$528,441.00
	Total	\$25,547,052.53

Background on Funding:

The ACA provided \$250 million in state rate review grants to improve the process for how states review proposed health insurance rate increases and hold insurance companies accountable for unjustified hikes. In 2015, rate review led to an estimated \$1.5 billion in savings for consumers.⁶ The funds

⁵ Jurisdictions receiving funding for Section 2726: CA, CO, DC, HI, IL, IN, MA, MD, MI, MN, MS, NC, NE, NH, NM, NY, OR, PA, RI, UT.

⁶ Rate Review Annual Report: https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Rate-Review-Annual-Report_508.pdf

announced today are unobligated rate review grant funding from prior years. Consistent with statute, rate review grant funds not fully obligated by the end of fiscal year 2014 are available to HHS to issue grants to states for planning and implementing the insurance market reforms and consumer protections under Part A of title XXVII of the Public Health Service Act.

For more information on the grant awards, visit:

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/compliance.html>