DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

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Subject: Frequently Asked Questions on Reuse of Exchange for Ancillary Products

Ancillary Products

Q1: Can stand-alone vision plans and other ancillary insurance products such as disability or life insurance products be offered in or through an Exchange?

A1: No. An Exchange only may offer qualified health plans (QHPs), including stand-alone dental plans, to qualified individuals and qualified employers, due to sections 1311 and 1312 of the Affordable Care Act. However, ancillary insurance products, which are not QHPs, may be offered by separate state programs that share resources and infrastructure with a State-based Exchange.

Q2: Can an Exchange provide any information about vision plans and other ancillary insurance products to the public?

Q2: Yes. An Exchange may provide basic information about vision or other ancillary insurance products on the Exchange website, such as explaining the type of coverage these products provide. This basic information must include that enrollment in vision and ancillary insurance products does not constitute enrollment in a QHP or enrollment through the Exchange but rather enrollment in a separate legally and publicly-distinct program. In addition, the basic information must include that advance payment of premium tax credits and cost-sharing reductions are not available for vision or other ancillary insurance products.

For example, an Exchange could include information on its Exchange website or through its call center about stand-alone vision plans and other ancillary insurance products, the benefits these products provide, and how to purchase these products. Purchasing information could include the ability for consumers to click on a product link that would take them to a page containing product and pricing information, where they could add the product to a shopping basket and purchase the product along with any QHP products. The product page would need to include the basic information described above. These ancillary products pages may reside on the Exchange information technology infrastructure as long as the web pages and call center information meets the requirements in Q3.

Q3: How may State-based Exchange resources be used by other, separate state programs to offer these non-QHP ancillary plans?

A3: The Exchange information technology infrastructure can be reused by other, separate non-Exchange state programs to facilitate coverage in ancillary products, provided that all of the following conditions are met.

- The Exchange neither provides services nor makes non-QHPs available in a manner that is prohibited or inconsistent with the Affordable Care Act.

- The agency or program facilitating the coverage must be legally and publicly distinct from the Exchange. The non-Exchange program facilitating the coverage must be responsible for non-Exchange activities.
- Federal funds must not be used to support non-Exchange activities. Further, Exchange user fees and assessments may not be used to support non-Exchange activities. Exchange funds should not be co-mingled with the funds used to support the separate state programs facilitating enrollment in non-QHPs.
- To the extent that an Exchange resource is used for non-Exchange purposes, the cost of using the resource must be paid by the other, non-Exchange state program. An appropriate portion of the costs of rent, maintenance, etc., must be charged to the other, non-Exchange state program.

For example, programming and information technology infrastructure, such as servers or coding for website applications, that supports the Exchange website could be used to support the website of another state program that facilitates enrollment in non-QHP insurance coverage. Under this arrangement, the websites themselves would need to be clearly identified as distinct, e.g., the "state Exchange website" and the "other non-Exchange state program website."

As a further example, while the call center supporting the Exchange might also support other non-Exchange state programs, the phone numbers for each program would need to be different and the scripts for the call center operators would need to be tailored to each program. Development of the differing scripts, maintenance of separate phone numbers, and associated staff time would need to be charged to the other, distinct Non-Exchange state program.