

# **One Hundred Second Legislature - Second Session - 2012**

## **Introducer's Statement of Intent**

### **LB835**

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**Chairperson: Senator Rich Pahls**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 21, 2012**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

It is the intent of LB 835 to:

- Increase access to quality affordable health care coverage, reduce the number of uninsured persons in Nebraska, and increase the availability of health care coverage through the private insurance market to qualified individuals and small employers and through Medicaid to the eligible uninsured;
- Provide affordable options for small businesses to purchase private health insurance for their employees;
- Provide consumer choice and portability of health insurance, regardless of employment status;
- Create a transparent health insurance marketplace for Nebraskans to purchase affordable, quality health care coverage and to access available federal refundable premium tax credits and cost-sharing subsidies;
- Promote consumer education and empower consumers to compare plans and make informed decisions about their health care and coverage;
- Create a health insurance marketplace that competes on the basis of price, quality, service, and other innovative efforts; and,
- Integrate medicaid eligibility to ensure administrative efficiency and seamless coverage for consumers.

LB 835 provides for the establishment of a Nebraska health benefit exchange to facilitate the purchase and sale of qualified health plans in the individual and small business markets in this state.

LB 835 creates the Nebraska health benefit exchange within the Nebraska Department of Insurance. The exchange shall operate subject to the control and supervision of an independent governing board. The 11-member independent governing board shall include representatives of various stakeholders in Nebraska's health care system, including consumers, small businesses, health care providers, health insurance carriers and agents, and state agencies. Members of the Governor-appointed board shall meet the requirements of the Nebraska Health Benefit Exchange Act and all applicable state and federal laws, rules, and

regulations, serve the public interest of the individuals and small businesses seeking health care coverage through the health benefit exchange, and ensure the operational well-being and fiscal solvency of the exchange. The board shall provide a written report to the Governor and the Legislature on or before December 1, 2012 concerning the planning, establishment, and operations of the exchange.

It is the intent of the Nebraska Health Benefit Exchange Act to include, at a minimum, the functions required by the federal Affordable Care Act, unless such act is repealed or is held to be unconstitutional or otherwise invalid or unlawful. In the event any portion of the federal Affordable Care Act or any regulation or other guidance issued thereunder is legislatively or judicially invalidated and rendered of no effect in this state, the governing board shall issue an opinion as to the effect of such action on the legal status of this Act and also issue recommendations to the Legislature for amendments to this act necessitated by such judicial or legislative action.

It is the intent of LB 835 that the establishment of the Nebraska Health Benefit Exchange should be fully funded through grants from the federal government. Once operational, it is the intent of LB 835 to transition the current funding mechanism for the Nebraska Comprehensive Health Insurance Pool (NECHIP) to the Nebraska Health Benefit Exchange Fund. It is the intent of LB 835 to fund the operations of the exchange within existing revenue streams and to not create new taxes to fund the operations of the exchange.

**Principal Introducer:** \_\_\_\_\_

**Senator Jeremy Nordquist**