

**HEALTH BENEFIT EXCHANGE  
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

On April 9, 2020, Governor Ralph Northam signed legislation creating the Virginia Health Benefit Exchange (Exchange) within the State Corporation Commission (Commission). The new law took effect on July 1, 2020, and is designed to facilitate the purchase and sale of qualified health plans and qualified dental plans to support the continuity of coverage and reduce the number of uninsured Virginians.

The shift to a State-based Exchange began in 2020. Virginia has now transitioned from its previous status as a Federally-facilitated Exchange to a State-based Exchange on the Federal Platform (SBE-FP) for Plan Year 2021. The Exchange will ultimately transition to a full State-based Exchange (SBE) in coming years. Prior to the transition to an SBE, Virginia consumers will continue to use [www.HealthCare.gov](http://www.HealthCare.gov) to shop and enroll in Affordable Care Act health plans and access available financial assistance. Small business health insurance will also continue to be available.

The goals of the Health Benefit Exchange include: (1) reducing the number of uninsured; (2) supporting the continuity of care; (3) promoting a transparent and competitive marketplace; (4) promoting consumer choice and education; (5) assisting individuals with access to programs, policies, and procedures related to obtaining health insurance coverage; and (6) assisting individuals with premium tax credits and cost-sharing reductions.

The state budget includes \$8.22 million and \$13.25 million, respectively, to fund Exchange functions for FYs 2021 and 2022. For those same years, the state budget appropriates \$103,671 to fund existing plan management functions. The state budget authorizes the Secretary of Finance to approve a Working Capital Advance of up to \$40 million over ten years to fund Exchange start-up and other implementation costs -- \$6 million of which was approved on June 5, 2020 and drawn down by the Commission on July 1, 2020. Anticipated drawdowns are expected to be \$32 million over four years.