

AN ACT relating to a state-operated healthcare exchange.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 194A IS CREATED TO READ AS FOLLOWS:

(1) As long as the option to operate a state healthcare exchange exists under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act, Pub. L. No. 111-152, the Office of the Kentucky Health Benefit and Information Exchange, in consultation with the Department of Insurance, shall operate and continue to operate a state healthcare exchange that is substantially similar to the Kentucky Health Benefit Exchange, commonly referred to as "kynect" as it existed on January 1, 2016, within the Commonwealth.

(2) The state healthcare exchange as operated by the Office of the Kentucky Health Benefit and Information Exchange shall continue to provide the same functions that it provided as of January 1, 2016, and may expand its functions as permitted by federal and state law.

(3) The Office of the Kentucky Health Benefit and Information Exchange is established within the Cabinet for Health and Family Services. The office shall administer the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148.

(4) The office shall be headed by an executive director appointed by the Governor. The executive director shall exercise authority over the office, and the office shall be composed of such organizational entities as are deemed appropriate by the secretary.

(5) The office shall:

(a) Facilitate enrollment in health coverage and the purchase and sale of qualified health plans in the individual market;

- (b) Take actions as necessary to enable eligible individuals to receive premium tax credits and cost-sharing reductions and to enable eligible small businesses to receive tax credits, in compliance with all applicable federal and state laws and regulations;
- (c) Coordinate initiatives related to the use of electronic health information technology on behalf of the Commonwealth;
- (d) Enter into contracts and other agreements, as necessary, with appropriate entities, including but not limited to federal, state, and local agencies, as described in 45 C.F.R. sec. 155.110, to the extent necessary to carry out its duties and responsibilities, so long as such agreements incorporate adequate protections with respect to the confidentiality of any information to be shared;
- (e) At a minimum, carry out the functions and responsibilities required under Section 1311 of the Patient Protection and Affordable Care Act, to implement and comply with federal regulations issued under Section 1321(a) of the Patient Protection and Affordable Act;
- (f) Pursue all available federal funding for development and operation of the office; and
- (g) Regularly consult with stakeholders in accordance with 45 C.F.R. sec. 155.130.
- (6) The office shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement this section.
- (7) The office shall not establish procedures and rules that conflict with or prevent the application of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148.