The deadline for states to declare that they would operate state-based health insurance exchanges was Friday, Dec. 14. Eighteen states and the District of Columbia submitted the necessary paperwork to the federal Department of Health and Human Services. The following 8 states and DC have made significant progress setting up their marketplaces and DHHS has given them conditional approval: Colorado, Connecticut, Kentucky, Massachusetts, Maryland, New York, Oregon, and Washington. Applications are under review for California, Hawaii, Idaho, Minnesota, Mississippi, Nevada, New Mexico, Rhode Island, Vermont, and Utah.

The remaining states have until mid-February to decide whether they will totally cede their insurance exchange to the federal government or whether they will operate the exchange in partnership with the federal government. A number of states have not made that decision. Experts who spoke at the CSG Annual Conference earlier this month in Austin predicted that state legislators will be pressured during the 2013 sessions to opt for the partnership in order to retain state control of the health insurance market.

Open enrollment will begin in October 2013 in all health insurance exchanges. Coverage will start Jan. 1, 2014. The federal subsidies to make insurance affordable for persons with incomes between 100 and 400 percent of the federal poverty level will only be available for policies purchased through the exchange marketplaces.