Nebraska News Service by Katie Walter

LINCOLN--The Legislature's Banking, Commerce and Insurance Committee held a briefing Friday morning about the status of Nebraska's process for creating an insurance exchange under the federal Affordable Care Act.

Representatives of the State Department of Insurance, Blue Cross and Blue Shield of Nebraska and the Nebraska Health Care Alliance, a nonprofit association of 70 health care providers, insurance companies and businesses advocating for a state-based health insurance exchange, were invited to present their views.

As with similar meetings held by the governor in September, the idea of flexibility remains a major concern.

Health insurance exchanges are part of the Affordable Care Act that was signed into federal law in March 2010. The exchanges are intended to be a marketplace for consumers to shop for health insurance coverage. The law requires states to draft their own plans within federal guidelines, create a joint federal-state plan or rely on the federal government to create a plan.

Bruce Ramge, Nebraska insurance director, told the committee he did not have enough information to make a recommendation on what model Nebraska should use.

The state has until Nov. 16 to submit its model to federal officials. Ramge reiterated what Gov. Dave Heineman has stated on a number of occasions; he will not draft the exchange until after the Nov. 6 election results.

GOP presidential candidate Mitt Romney has vowed to seek repeal of the Affordable Care Act if he's elected.

Ramge said that there has been confusion on what exactly is required in a state-based model in conjunction with a blueprint the federal Department of Health and Human Services sent out to states earlier this year.

Sen. Paul Schumacher of Columbus pointed out that at least 12 states have submitted their plans for state-based exchanges without the regulations the Nebraska officials have said they're waiting for.

Schumacher said there is a lot of talk about the federal government not having flexibility, and he asked the insurance department officials how they have reached that conclusion. He asked whether there is correspondence between the insurance department and the federal Department of Health and Human Services indicating that federal authorities have denied state plans or suggestions.

Ramge said there was no such correspondence, but he said state officials have been asked to submit a few documents concerning something they could not discuss at the meeting. They also said they did not have the letter available for the committee.

The basic understanding, according to Ramge and assistant project director Martin Swanson, is that regulations for the state-based exchanges, amounting to potentially thousands of pages, will be released between Nov. 6 and 16.

Schumacher asked if preliminary versions of these regulations have been published in the Federal Register, and Ramge responded that not everything has been covered in the regulations that have been published so far.

Lobbyists for Blue Cross and Blue Shield of Nebraska and Nebraska Health Care Alliance also testified in support of a state-based exchange model.

The Department of Insurance is expected to draft the exchange once Heineman makes a decision after the election.