

113TH CONGRESS  
2D SESSION

# S. 2749

To establish a board of directors and CEO to oversee the Federal Exchange and State Exchanges, and to provide health insurance oversight.

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IN THE SENATE OF THE UNITED STATES

JULY 31, 2014

Mrs. SHAHEEN introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To establish a board of directors and CEO to oversee the Federal Exchange and State Exchanges, and to provide health insurance oversight.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCHANGE OVERSIGHT.**

4 Subtitle D of title I of the Patient Protection and  
5 Affordable Care Act (42 U.S.C. 18021 et seq.) is amended  
6 by adding at the end the following:

7 **“PART 6—EXCHANGE OVERSIGHT**

8 **“SEC. 1351. BOARD OF DIRECTORS AND CEO.**

9 “(a) IN GENERAL.—There is established the Market-  
10 place Health Insurance Corporation headed by a Chief Ex-

1 ecutive Officer and directed by a Board of Directors, to  
2 oversee management of the Federal Exchange and State  
3 Exchanges, and to provide health insurance oversight.

4 “(b) CEO.—

5 “(1) IN GENERAL.—The President shall ap-  
6 point a Chief Executive Officer, by and with the con-  
7 sent of the Senate, who shall be responsible for ad-  
8 ministering the Federal Exchange, for overseeing  
9 State Exchanges, and for health insurance oversight.

10 “(2) AUTHORITIES AND DUTIES.—The Chief  
11 Executive Officer shall—

12 “(A) report directly to the President;

13 “(B) be accountable for implementation of  
14 the Federal Exchange and oversight of the  
15 State Exchanges;

16 “(C) be responsible for all Federal health  
17 insurance oversight; and

18 “(D) serve the public interest of individ-  
19 uals seeking health insurance, serve businesses  
20 seeking access to health coverage through the  
21 Exchanges, and ensure the efficient operation  
22 and function of the Exchanges.

23 “(3) REQUIREMENT.—To be eligible for ap-  
24 pointment as Chief Executive Officer, an individual

1 shall have a background in health care issues and  
2 private-sector management experience.

3 “(c) BOARD OF DIRECTORS.—

4 “(1) ESTABLISHMENT.—There is established a  
5 Board of Directors of the Marketplace Health Insur-  
6 ance Corporation.

7 “(2) DUTIES.—The Board of Directors shall  
8 advise the Chief Executive Officer on the operation  
9 of the Federal Exchange, implementation of the  
10 State Exchanges, and health insurance oversight, in-  
11 cluding—

12 “(A) the functionality of healthcare.gov (or  
13 any subsequent Internet site), including SHOP  
14 exchanges;

15 “(B) ensuring that enrollment information  
16 is properly transferred from healthcare.gov (or  
17 any subsequent Internet site) to State Medicaid  
18 agencies;

19 “(C) accuracy of enrollee information sub-  
20 mitted through the Exchanges;

21 “(D) ensuring the accuracy of advanced  
22 premium tax credits;

23 “(E) ensuring the accuracy of payment to  
24 insurers;

1           “(F) enhancement of the consumer experi-  
2           ence when comparing plans, including out-of-  
3           pocket costs, and searching for a specific pro-  
4           vider or drug formulary;

5           “(G) overseeing the selection of plans of-  
6           fered on the Federal Exchange, including suffi-  
7           cient network adequacy and transparency re-  
8           quirements;

9           “(H) providing recommendations to the  
10          Secretary of the Treasury with respect to the  
11          implementation of section 4980H of the Inter-  
12          nal Revenue Code of 1986 and potential policy  
13          changes with respect to such section and associ-  
14          ated reporting requirements;

15          “(I) creating an automated appeals system  
16          for healthcare.gov (or any subsequent Internet  
17          site);

18          “(J) overseeing the transition from a State  
19          Exchange to the Federal Exchange;

20          “(K) enabling online enrollment in health  
21          insurance plans through the Exchanges for  
22          small businesses and employee choice for em-  
23          ployees of small businesses;

1           “(L) overseeing the Federal contracting re-  
2           lated to healthcare.gov (or any subsequent  
3           Internet site);

4           “(M) providing recommendations to the  
5           Office of Personal Management on the over-  
6           sight and administration of the multi-State plan  
7           program; and

8           “(N) additional matters, as determined by  
9           the Secretary of Health and Human Services,  
10          the Chief Executive Officer, or President.

11          “(3) MEMBERSHIP.—The Board of Directors  
12          shall be comprised of the following:

13                 “(A) The Secretary of Health and Human  
14                 Services.

15                 “(B) The Administrator of the Centers for  
16                 Medicare & Medicaid Services.

17                 “(C) The Commissioner of the Internal  
18                 Revenue Service.

19                 “(D) The Administrator of the Small Busi-  
20                 ness Administration.

21                 “(E) Three representatives of the private  
22                 sector who have demonstrated knowledge in in-  
23                 dividual health care coverage, small employer  
24                 health care coverage, administering a public or  
25                 private health care delivery system, operating

1 complex information system technologies, or  
2 promoting health and wellness, appointed by  
3 the Comptroller General of the United States.

4 “(4) TERMS.—

5 “(A) OFFICERS OF THE FEDERAL GOV-  
6 ERNMENT.—Each member of the Board of Di-  
7 rectors described in subparagraphs (A) through  
8 (D) of paragraph (3) shall serve for a term that  
9 is concurrent with the member’s term as an of-  
10 ficer within the Federal department or agency.

11 “(B) OTHER MEMBERS.—Each member of  
12 the board described in paragraph (3)(E) shall  
13 be appointed for a term of 3 years and may be  
14 reappointed for a term of an additional 2 years.

15 “(5) CHAIRPERSON.—The Secretary of Health  
16 and Human Services shall serve as Chair of the  
17 Board of Directors.

18 “(d) TECHNICAL ADVISORY COMMITTEE.—

19 “(1) IN GENERAL.—To assist the Chief Execu-  
20 tive Officer and Board of Directors in carrying out  
21 their duties, the Board of Directors shall establish a  
22 technical advisory committee.

23 “(2) MEMBERSHIP.—The technical advisory  
24 committee shall be comprised of the following:

1           “(A) One technical expert from the Cen-  
2           ters for Medicare & Medicaid Administration.

3           “(B) One representative of the health in-  
4           surance industry.

5           “(C) One representative of health care con-  
6           sumer groups.

7           “(D) One representative of the National  
8           Association of Insurance Commissioners.

9           “(E) One representative of the State Med-  
10          icaid agencies.

11          “(F) One representative from the small  
12          business community.

13          “(G) One representative of Federal infor-  
14          mation technology contractors involved in the  
15          operation and development of healthcare.gov (or  
16          any subsequent Internet site).

17          “(H) At the discretion of the Chair of the  
18          Board of Directors, up to 2 additional mem-  
19          bers, selected by the Chair and approved by the  
20          Chief Executive Officer.

21          “(3) CHAIR.—The Chair of the Board of Direc-  
22          tors shall appoint one member of the technical advi-  
23          sory committee to serve as Chair of such committee.

24          “(4) TERMS.—Each member of the technical  
25          advisory committee shall be appointed for a term of

1 3 years and may be reappointed for a term of an ad-  
2 ditional 2 years.

3 “(e) WORK PLAN AND REPORT.—

4 “(1) WORK PLAN.—Not later than 3 months  
5 after the date of enactment of this section, the Chief  
6 Executive Officer, in cooperation with the Board of  
7 Directors, shall develop a work plan with respect to  
8 duties described in subsection (c)(2), indicating the  
9 priority and schedule the Board of Directors will  
10 take in addressing such duties. The work plan shall  
11 be displayed on [healthcare.gov](http://healthcare.gov) (or any subsequent  
12 Internet site).

13 “(2) ANNUAL REPORT.—Not later than Feb-  
14 ruary 1 of each year, the Chief Executive Officer, in  
15 consultation with the Board of Directors, shall sub-  
16 mit an annual report to the President and Congress  
17 on the status of the Federal Exchange and related  
18 insurance oversight, including progress made on the  
19 duties of the Chief Executive Officer and Board of  
20 Directors under subsection (c)(2) and remaining  
21 issues to be addressed to enhance the functionality  
22 of [healthcare.gov](http://healthcare.gov) (or any subsequent Internet  
23 site).”.

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