

MYTH: One can purchase a new health insurance policy under the Affordable Care Act through a “Health Information Exchange.”**FACT: Those seeking to purchase insurance in the individual and small group market may do so through the Affordable Care Act’s “Health Insurance Exchanges,” not “Health Information Exchanges.”**

The implementation of the Affordable Care Act (ACA) has given rise to a myriad of terms, causing much confusion among potential buyers of new health plans not steeped in the jargon of health care. One particularly ripe source of this confusion is the difference between a “Health Insurance Exchange” (HIX) and “Health Information Exchange” (HIE).

Health Insurance Exchange (HIX)

A Health *Insurance* Exchange is the portal through which one can purchase a new health insurance plan in the individual and small group market. Now often referred to as a “marketplace,” confusion persists because the ACA itself and its implementing regulations still employ the term “Exchange.” These insurance exchanges – or marketplaces – are entities that have been set up in every state to allow consumers to shop and purchase health insurance. 16 states and the District of Columbia have set up their own marketplaces, while the rest will be operated by the federal government alone or in partnership with the state. The marketplaces offer a set of government-regulated and standardized health care plans for sale by private insurance companies. These plans must adhere to all the new health insurance reform requirements (e.g., no pre-existing condition exclusions) and may be purchased with the help of premium subsidies and cost-sharing reductions if the buyer is eligible. One can begin the process by visiting the hub for all insurance marketplaces at www.healthcare.gov.

Health Information Exchange (HIE)

A Health *Information* Exchange, by contrast, is an entirely different concept. It does not involve enrolling

in a health insurance plan; in fact, consumers and patients have no direct involvement at all with Health Information Exchanges other than to potentially authorize or consent to the inclusion of their health information in a HIE. This type of HIE can be defined as organization that supports the sharing of health information electronically across providers and settings of care and potentially with other stakeholders within a community or region or the activity of sharing that information. HIE’s have been created to facilitate the efforts of health care providers to electronically move clinical information between separate information systems to provide more timely and effective care for patients and support quality improvement. Also, HIE’s have the potential to assist public health officials and other stakeholders in their analysis of population health.

Over the last five years or so, formal independent and governmental organizations have emerged to establish HIEs, often funded by state-wide health information exchange grants made available by the federal Office of the National Coordinator for Health Information Technology. These formal HIEs now exist in many communities, regions and states across the country.

In short, don’t confuse the terms “Health Insurance Exchange” (HIX) and “Health Information Exchange” (HIE). The HIX is a regulated marketplace for the purchase of health insurance in the individual and small group markets, and an HIE is a formalized system of sharing and transferring health information electronically among participating providers aimed at lowering cost and improving quality.

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