

§ 155.140 Establishment of a regional Exchange or subsidiary Exchange.

(a) *Regional Exchange*. A State may participate in a regional Exchange if:

- (1) The Exchange spans two or more States, regardless of whether the States are contiguous; and
- (2) The regional Exchange submits a single Exchange Blueprint and is approved to operate consistent with § 155.105(c).

(b) *Subsidiary Exchange*. A State may establish one or more subsidiary Exchanges within the State if:

- (1) Each such Exchange serves a geographically distinct area; and
- (2) The area served by each subsidiary Exchange is at least as large as a rating area described in section 2701(a) of the PHS Act.

(c) *Exchange standards*. Each regional or subsidiary Exchange must:

- (1) Otherwise meet the requirements of an Exchange consistent with this part; and
- (2) Meet the following standards for SHOP:
 - (i) Perform the functions of a SHOP for its service area in accordance with subpart H of this part; and
 - (ii) Encompass the same geographic area for its regional or subsidiary SHOP and its regional or subsidiary Exchange except:
 - (A) In the case of a regional Exchange established pursuant to § 155.100(a)(2), the regional SHOP must encompass a geographic area that matches the combined geographic areas of the individual market Exchanges established to serve the same set of States establishing the regional SHOP; and
 - (B) In the case of a subsidiary Exchange established pursuant to § 155.100(a)(2), the combined geographic area of all subsidiary SHOPS established in the State must encompass the geographic area of the individual market Exchange established to serve the State.

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