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## Insurance marketplace one step closer

by James Gormley

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State lawmakers are expected to pass legislation to create a health insurance exchange that would help address the needs of 2.7 million uninsured New Yorkers.

The bill (S.5849/A.8514) would create the New York Health Benefit Exchange to facilitate the purchase and sale of health insurance plans in the individual market and incorporate a small business health options program to help small businesses enroll their employees in qualified health plans offered in the group market.

The bill was sponsored in the Assembly by Joseph Morelle, D-Irondequoit, and in the Senate by James Seward, R-Milford, who both chair their respective house's insurance committee. If the bill is signed by the governor, it would create an easy system for consumers to research and purchase government-supported health plans online. It would also make the state eligible for additional federal funding under the Affordable Care Act, which requires state health exchanges be established by January 2014.

"This new and unique approach to health insurance will offer consumers choices and flexibility," said Morelle. "[It] utilizes competitive market forces to maintain health care quality while keeping costs affordable."

Specifically, the bill would: create a public benefit corporation with a board of directors who are experts in health care; create ethics standards for businesses and professional activities of those directors; create regional advisory committees to represent the interests of consumers, small businesses, health care providers, unions and insurance companies; require the exchange to provide oversight to the health plans offered and disclose all fees and payments for the consumer.

The bill would also create a hotline for consumers and small business owners who are purchasing the insurance plans and a calculator so consumers can determine the actual cost of the health insurance they are buying.

"The exchange will revolutionize the way people enroll in public health plans like Medicaid, Child Health Plus and Family Health Plus," said Assemblyman Richard Gottfried, D-Manhattan, the Assembly Health Committee chair. "Instead of time-wasting trips to the 'welfare office,' there will be a statewide, online, streamlined system for enrolling and renewing enrollment, to make it much easier and more efficient for New Yorkers to get the health coverage to which they are entitled.

"We tend to think of the exchange as a way to buy commercial health insurance, but there will be millions more people accessing the exchange for public health coverage," Gottfried said.

Under the bill, the exchange would be obligated to prepare a report for the governor and

Legislature by April 1, 2012 about its operations and policies and include: recommendations on matters such as how it can become self-sustaining by a Jan. 1, 2015 deadline when federal funding ends; the advantages and disadvantages of the exchange serving as an active purchaser, a selective contractor or a clearinghouse of insurance; merging the individual and small employer markets for rating purposes; offering benefits to Medicaid-eligible populations beyond the federal benchmark; and its impact on the Healthy New York and Family Health Plus programs.

Some are concerned whether the board members running the exchange will be looking out for consumers and not the insurance industry because the bill does not explicitly prohibit participation on the board by those who have "financial skin in the game," according to Blair Horner, vice president for advocacy at the American Cancer Society of New York and New Jersey.

"A health insurance benefit exchange that serves the best interests of patients means those entrusted with running the exchange must have the purest of motives — healthier New Yorkers, not fatter wallets," said Horner. "As he considers legislative nominations and makes appointments to the exchange board, Gov. Cuomo must ensure that no member has a financial conflict of interest."

And others are outwardly hostile to the legislation, calling it a step toward nationalizing health care.

"As ranking member of the Assembly Health Committee, my top responsibility to my constituents and the people of this state is to provide them with quality, affordable health care," said Assemblyman Lou Tobacco, R-Staten Island. "Unfortunately, this legislation will limit the individual's ability to make their own health care decisions while imposing astronomical costs on the state, its citizens and small businesses. Government-run health care is not what we need to address our 21st century health care demands, but it will be the result if this bill is allowed to become law."

"This legislation is another step toward nationalizing health care, bearing a tremendous cost to taxpayers while taking away their right to choose their own medical treatment," said Assemblywoman Nicole Malliotakis, R-Staten Island. "The costs involved in implementing ObamaCare are astronomical, and doing so would be detrimental to the health of our economy and our citizens. I will not support the government takeover of health care, because I don't think government should be dictating what insurance we buy or what doctors we visit."

The two legislators cite a Cato Institute study that predicts a \$65 billion increase in medical costs in the next 10 years if the full federal Affordable Care Act is implemented.