

HEALTH CARE TASK FORCE – HEALTH INSURANCE EXCHANGE ISSUES

WHAT IS YOUR ORGANIZATION'S STANCE OR VIEW ON THE CONCEPTUAL IDEA OF INSURANCE EXCHANGES?

The St. Luke's Health System would prefer a situation where as many Idahoans as possible are covered by private health insurance. We favor the concept of exchanges because the easily accessible open competitive market an exchange could create could help to increase the number of Idaho citizens insured through private insurance.

DO YOU FAVOR A STATE EXCHANGE OR A FEDERAL EXCHANGE AND WHY?

If the State of Idaho does not create a state exchange the federal government will create an exchange for Idaho that will be controlled by the federal Department of Health and Human Services. We favor a state exchange over a federal exchange for the following reasons:

- We believe that it is an inherently better situation if people in Idaho and their elected representatives have a place in Idaho where they can discuss health insurance issues with people who are in a position to help them and who are accountable to the state.
- Medicaid has to connect to the exchange in either case. If the state creates an exchange the federal government will pay the cost of the connection. If the state does not create an exchange then the state has to pay the cost of the connection. We would prefer that the cost of connection be paid by the federal government.
- We believe that the people of the state will be better served by an exchange that provides a wide variety of competitive products with local companies being able to compete with national insurers. We have reason to expect that a federal exchange would include only the products of large national companies. We believe that the state would be better served by a competitive state created exchange where local, regional and national companies have the opportunity to compete.
- We believe that the people of Idaho deserve capable and meaningful help in purchasing health plans. It was reasonably clear during the process of enacting federal healthcare reform that a large faction in Congress would prefer to eliminate insurance agents and brokers from the health insurance market. We believe that the better approach is to allow the state to deal with the needs of its citizens rather than relying on a federal system that may be biased against state licensed advisors.

WHAT PROVISIONS DO YOU FEEL WOULD BE IMPORTANT IN A STATE EXCHANGE?

We prefer an exchange that will serve as an open and competitive market for health insurance products and that:

- is open to all companies qualified to offer health coverage;
- is open to all health plans qualifying for sale on the exchange; and

- encourages the creation of health plans that will make it easier for individuals and small businesses to purchase health coverage.

WHAT THINGS SHOULD THE STATE AVOID?

1. The exchange should provide a competitive market for health plans and should be governed in a way that will maximize consumer choice. The state should avoid creating unnecessary limitations on the products that may be offered on the exchange.
2. The state should avoid practices that unnecessarily increase health care costs or the cost of creating and offering health plans.