

IDAHO
ASSOCIATION
OF
HEALTH PLANS

JOINT INTERIM HEALTH CARE TASK FORCE
IDAHO ASSOCIATION OF HEALTH PLANS (IAHP) |
10/4/11 TALKING POINTS
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Officers

Zelda Geyer-Sylvia
President

David Self
Vice President

Scott Kreiling
Secretary/Treasurer

Member Organizations

Altius Health Plans
South Jordan, UT
Frank Kyle
Director of Regulatory Affairs

Blue Cross of Idaho
Boise, ID
Zelda Geyer-Sylvia
Executive Vice President &
Chief Operating Officer

Group Health Options, Inc.
Spokane, WA
Scott Plack
Director of Regulatory Affairs

PacificSource Health Plans
Boise, ID
David Self
Senior Vice President &
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Regence BlueShield of Idaho
Boise, ID
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SelectHealth, Inc.
Murray, UT
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- What is your organization's stance or view on the conceptual idea of insurance exchanges?

IAHP favors the conceptual idea of insurance exchanges . Specifically, IAHP supports the concept of an exchange designed to promote competition and consumer choice. Properly designed, an exchange will provide individuals and businesses the opportunity to easily shop, compare and select health plans on-line. An exchange is a proven concept, good for both buyers and sellers, e.g. NYSE, NASDAQ, Expedia, Travelocity, and Kayak.

- Do you favor a state exchange or a federal exchange and why?

IAHP strongly favors a qualified state exchange, for the following reasons.

1. Historically, the Idaho insurance market, under the regulation of our Department of Insurance, has a proven track record of value and efficiency, e.g. Idaho's premium rates are some of the lowest in the country; Idaho's High Risk Pool program has been a success because it was designed by Idaho's legislature to meet the unique needs of Idaho's market place and is operated by a partnership of legislative, regulatory, industry and consumer representatives.
2. A state designed and managed exchange can be more sensitive to and responsive to the needs of Idaho's individuals and businesses than a federal exchange; government which is closest to the governed is usually the more efficient and more likely to earn the support of its constituents.
3. A state exchange which is "qualified" under PPACA can give Idaho consumers access to substantial and needed financial assistance (for individuals) and tax credits (for small business owners), which funds might otherwise be unavailable to Idaho; without those funds it would shift substantial additional costs to the state general fund.
4. Federal programs are not known historically to be efficient or quick to respond to the needs and perspectives of many Americans—and certainly not to those Americans residing in a

rural western conservative state like ours; nor is the federal government known to do things inexpensively; and yet, even if Idaho defaulted to a federal exchange, by 2015, PPACA requires that the exchange must be self sustaining, so even with a federal exchange Idaho would have to pay for the exchange, even though designed and operated by the federal government. Under a federal exchange, the federal government will determine what those costs will be. If we have to pay for it, let's do it ourselves.

5. A decision not to do a qualified state exchange is a decision to cede control of Idaho's individual and small health insurance markets to the federal government. If this happens, the federal government will determine how people are directed into Idaho's Medicaid program, it will determine what types of health plans will be available to Idaho citizens and small businesses, and it will determine what role, if any, Idaho insurance agents and brokers will have in these markets. Idaho citizens or businesses who have issues with plans sold through a federal exchange will have to seek assistance from a federal agency.

- What provisions do you feel would be important in a state exchange?

The exchange must facilitate a competitive marketplace. It must not be a regulator, a role which Idaho law already and properly assigns to the Department of Insurance. The exchange must be lean, simple and transparent to the users.

- What things should the state avoid?

Idaho should avoid a federal exchange. Idaho should avoid an exchange which purports to regulate the market or be the market. Idaho's exchange should do no more than is minimally necessary to qualify under PPACA, so as to match buyers and sellers in an efficient transparent way, while also receiving the financial assistance to which Idahoans are entitled and for which they have already paid in federal taxes. The exchange should not destroy the function of the producer or agent, whose knowledge and guidance are needed by consumers

To conclude: first, and foremost, create an exchange qualified under PPACA but make the exchange Idaho's---- avoid a federal exchange.