

## ISSUES & POLICIES

# About Healthcare Exchanges



Connecticut and many other states are preparing for one of the biggest-ticket items on federal healthcare reform's "to-do" list: setting up new health insurance exchanges that will act as regulated marketplaces for consumers.

**Deadlines:** States have until 2014 to put an exchange in place, but the first deadline is actually much sooner: Dec. 31, 2012, when states have to pass muster with federal regulators on having simplified insurance offerings, a standardized application and a consumer-friendly online presentation ready to go.

**Goal:** The overall aim of exchanges is to make it easier for individuals and small businesses to shop for comparable coverage. How to actually do that—and how much it will cost—is up

to each state.

Some states, such as Utah, are designing simpler exchanges that emphasize streamlined, online access; other states such as Massachusetts are opting for more elaborate, top-heavy and costly models.

**In Connecticut:** Gov. Dannel Malloy appointed Jeannette DeJesús to lead the state's efforts on federal healthcare reform as deputy public health commissioner and special advisor to the governor. There is also legislation proposed by the Insurance Committee to establish Connecticut's exchange program.

**Costs:** While the price tag for the exchange is unknown, it's likely to include significant administrative, systems and marketing costs. The timing is especially difficult because of Connecticut's budget deficit and the need to reduce state spending and make government more effective.

**Strengthening the Private Market:** Connecticut must craft its exchange in a way that strengthens the private market so that not only do we not shed more jobs, but that we actually grow the market and add jobs. Governor Malloy has said that the shares this goal.

**Conflicting plans:** In stark contrast to the need to strengthen the private market and complicating the picture is the Sustinet healthcare system that lawmakers are moving ahead to create. Sustinet's advocates also want the plan to be an offering that operates both within and outside of the new health insurance exchange. The problem is, they also want Sustinet to be a self-insured program—but only fully licensed plans will be allowed to be sold within the exchange.

Either the federal government would have to make an exception for Sustinet, or the plan itself would have to be modified.

CBIA believes that true, commonsense healthcare reform comes not from more government control but from policymakers working to strengthen our market-based, employer-sponsored system.