

FTR

February 14, 2011

Statement
Of
Anthem Blue Cross and Blue Shield
On
SB 921 An Act Establishing A State Health Insurance Exchange

Anthem appreciates the opportunity to comment on SB 921. While we are still reviewing and analyzing we did want to comment on legislation.

As the Legislature is aware, the Patient Protection and Affordable Care Act (“ACA”) requires health insurance exchanges to be available to qualified individuals and qualified small employers in each state beginning in 2014. State-based health insurance exchanges are a central feature of federal health reform. Exchanges are required to contract with a variety of qualified health plans to offer four standardized health plans and they will be the place where many individuals and small business will go to buy coverage. States can choose to (1) establish their own exchange, (2) enter into a compact with other states to create a multi-state exchange, or (3) take no action and allow the federal government to establish a fallback exchange.

Since exchanges are a central component of health reform, we would like to offer some guiding principles that we ask this committee and the administration to consider as it deliberates the creation of a health insurance exchange in Connecticut. We believe these are some of the most important considerations for development of this legislation:

- Each state should design and operate its own exchange.
- Exchanges can and should be formed under existing regulatory rules.

- All carriers with plans that meet QHP standards should be permitted to offer such plans in an exchange.
- Exchange governance must ensure broad stakeholder representation, accountability and protection from undue influence.
- Individuals and small employers should have the option to purchase coverage outside of the exchange.
- Employer participation in exchanges should be limited to small employers to ease transition and limit adverse selection.
- Exchanges should be responsible for determining eligibility for premium subsidies and public programs.

Recently the Wall Street Journal ran an op-ed that bears mentioning as this Legislature contemplates legislation will establish Connecticut's Exchange. "Any willing insurers already licensed to operate in a state should be able to offer plans. Their operating rules would focus on providing better information to consumers, rather than limiting the types of plans available. Exchanges should also enable easier allocation of private payments and public subsidies, simplify enrollment, and reduce transaction costs." Scott Gottlieb and Tom Miller: How to Reform ObamaCare Starting Now - Wall Street Journal, October 14, 2010.

Again, we appreciate the opportunity to comment on this legislation and we look forward to working with the Committees as this bill moves through the process and are available for questions that you may have.