



**Testimony of Bob Rodman,  
AARP Connecticut Volunteer on S.B. 1204  
An Act Establishing the Connecticut Health Insurance Exchange  
Public Health Committee  
March 23, 2011**

Good morning. My name is Bob Rodman and, as an AARP volunteer, I am here representing nearly 600,000 members of AARP in the state. I also speak as an individual consumer interested in expanding access to affordable, quality health care in Connecticut. The State Health Insurance Exchange proposal contained in S.B. 1204 is a centerpiece of the Affordable Care Act.

AARP has a strong interest in the creation and development of State Health Insurance Exchanges that are *consumer friendly* and operate with a *conflict free governance structure*. We believe that the Exchange should ensure that all policy and operational choices are considered through the lens of the consumer and that decisions are made based on the consumer's best interest.

Overall, we are also pleased with the structure of the state insurance Exchange outlined in S.B. 1204. The bill meets all federal requirements for an Exchange and includes 3 important objectives:

- 1) A conflict-free governance structure;
- 2) A limited number of plans; and
- 3) Requires plans allowed in the Exchange to be offered outside the Exchange at the same rates.

AARP strongly supports the conflict of interest provision in section 2. This conflict of interest provision is meant to ensure that the Exchange's Board of Directors does not include insurers or health care providers that would be subject to regulation and oversight by the Exchange. Additionally, AARP believes that Exchange governance should include strong consumer representation and provide the opportunity for issue-specific working or advisory groups to give ongoing input into the process. We are pleased that the bill allows a system of stakeholder—including consumer—input through advisory committees. To strengthen consumer input, the legislature may want to specify a clear structure and role for the advisory boards, which could include representatives for older consumers.

Next, AARP supports section 6 (2), which requires the Exchange to limit the number of plans offered "provided consumers have an adequate number and selection of choices." Limiting the number of insurance providers and products will allow consumers to make direct comparisons and encourage competition among the plans.

One thing not specifically included in S.B. 1204 is a process for seamless transitions between various public assistance programs and private pay as someone's situation changes. Perhaps the Exchange should be required to develop systems so transitions among Medicaid, CHIP (Husky), state health care programs, federally subsidized coverage and fully private pay are centralized, seamless, and ensure continuity of coverage and care.

The only area of concern is section 18 which would put everyone from 133% to 200% of the federal poverty level into a basic health plan as part of Medicaid rather than in the Exchange with tax subsidies. While AARP does not take a position for or against this, we do want to make sure that states choosing this option do not set up a system where Medicaid recipients would receive significantly different health care than they would under an Exchange policy.

With the passage of the Affordable Care Act, Americans have a new opportunity to extend health coverage and access to those who have found obtaining health insurance too difficult, too challenging, or too expensive. We believe that Exchanges are vital in the effort to extend health coverage, while improving access and affordability for those already in the individual and small group markets. We also believe that each state, with insight and feedback from consumers and consumer advocates, is well positioned to develop its own Exchange. AARP looks forward to working with the Malloy administration and members of the legislature to help develop an Exchange that is viable and effective in delivering quality, affordable health care. Thank you.