

ARIZONA'S HEALTH INSURANCE EXCHANGE – INGREDIENTS FOR SUCCESS AND AFFORDABILITY September 16, 2011

An estimated one million Arizonans will participate in the new health insurance exchange -- a marketplace where individuals and small businesses can shop for health care coverage and receive subsidies. The design and structure of the exchange will play a large part in determining the convenience, affordability, and quality of health care available in Arizona. The community groups listed on the next page endorse these key ingredients for the exchange success. With these ingredients, Arizona's exchange can keep costs low, help people find and compare health plans, and improve the health of children, small business owners and entrepreneurs, people with disabilities, people with chronic and serious illnesses, and working families without employer-based coverage.

Board: The governing board of the exchange should have majority consumer representation and should reflect the diversity of interests and skills in the Arizona insurance marketplace. Board members should be appointed by the Governor, the Attorney General, and the majority and minority leadership in the state legislature. The board should include people with skills and experience in health care markets and should require members to abstain from voting in decisions where they have a conflict of interest. All meetings and records should be open to the public with opportunities for public participation.

Affordability: The exchange should be structured to attract both people who are healthy and people with medical conditions. If the exchange attracts only those who are sick, it will quickly become unaffordable. Health plans outside the exchange should be required to follow the same requirements for qualified health plans certified inside the exchange (such as marketing requirements and provider networks). Any carrier that sells bronze or catastrophic plans outside the exchange should be required to also sell plans inside the exchange.

Customer Convenience: The exchange should standardize plan benefits within each level of coverage so that customers can have a true apples-to-apples comparison. The exchange should be designed so that customers can easily find, compare, and evaluate health plans, including being able to understand what is covered and how much they have to pay out of pocket. The exchange should offer a range of choices of plan options, but should be allowed to limit the number of products so that customers don't face an overwhelming number of plans (as was the case with Medicare Part D and with the Utah exchange).

Application and Enrollment: The application and enrollment process should be user-friendly for individuals and small businesses, and allow seamless transfer between the exchange and AHCCCS coverage. One way the state should consider to maintain continuity of care is a Basic Health Plan that would let AHCCCS enrollees keep the same plan and provider network as their income increases. In addition to licensed brokers, navigators should include a wide variety of groups that are familiar with diverse local communities and experienced in working with the uninsured and underinsured.

Financing: The costs for operating the exchange should be spread across all insurance carriers in the state, whether or not they offer plans in the exchange. No fees should be charged to enrollees or employers for participating in the exchange. The established revenues should flow directly to the exchange, without requiring a legislative appropriation. Brokers should be paid on a flat fee basis per transaction, so there is no incentive to steer applicants to particular plans.

For more information, contact Matt Jewett of Children's Action Alliance at (602) 266-0707 or mjewett@azchildren.org.

**ARIZONA'S HEALTH INSURANCE EXCHANGE
INGREDIENTS FOR SUCCESS AND AFFORDABILITY
Endorsed by the Following Organizations**

Organization	Contact Name and Title
AARP Arizona	Len Kirschner, President
ACCEL	Bryan Davey, PhD, BCBA-D, Director of Behavioral Health Services
Arizona Association of Community Health Centers	John McDonald, CEO
Arizona Autism Coalition	Ann Monahan, Board President
Arizona Behavioral Health Corp.	Ted Williams, President and CEO
Arizona Bridge to Independent Living	Phil Pangrazio, President and CEO
Arizona Community Action Association	Cynthia Zwick, Executive Director
Arizona Council of Human Service Providers	Emily Jenkins, President and CEO
Arizona Ecumenical Council	Rev. Jan Olav Flaaten, Executive Director
Arizona Foundation for Women	Jodi Liggett, CEO
Arizona Head Start Association	Bonnie Williams, Director
Arizona Hemophilia Association	Cindy Komar, Executive Director
Arizona PIRG	Diane Brown, Director
Arizona Public Health Association	Jennifer Bonnett, Executive Director
Arizona Rural Healthcare Association	James J. Dickson, President
Association for Supportive Child Care	Susan Wilkins Jacobs, Executive Director
Association of Arizona Food Banks	Ginny Hildebrand, President and CEO
AZ Foundation for Behavioral Health	Eddie Sissons, Executive Director
BISTA	Don Stenhoff, PhD, BCBA-D, Director of BISTA Autism Center
Child and Family Resources, Inc.	Eric Schindler, PhD, President and CEO
Children's Action Alliance	Dana Wolfe Naimark, President and CEO
Empowerment Systems, Inc.	Jack Beveridge, President and CEO
Health Care Connect	Eric Dugar, Director of Network Development
Jewish Family & Children's Service	Michael R. Zent, PhD, President and CEO
Keogh Health Connection	Allen Gjersvig, Executive Director
Marc Center	Michael Franczak, PhD, COO
Maricopa County Asthma Coalition	Cecile Fowler, Program Coordinator
Native American Connections	Diana Yazzie Devine, CEO
Phoenix Day Child & Family Learning Center	Karyn Parker, Executive Director
Planned Parenthood Arizona, Inc.	Patricia Gross, Vice President of Customer & Administrative Services
Protecting Arizona's Family Coalition	Timothy Schmaltz, Coordinator
Quality Care Network	Gary Brennan, FACHE, CEO
Raising Special Kids	Joyce Millard Hoie, Executive Director
School Nurses Organization of Arizona	Shirley Rodriguez, President
Southwest Institute for Families & Children	Karen Berstein, PhD, Director & Senior Scientist
TERROS	Dale Rinard, CEO
Valle del Sol	Kurt R. Sheppard, CEO
William E. Morris Institute for Justice	Ellen Sue Katz, Director
Women's Health Coalition of Arizona	Lonnie Rubio Jones, Director

September 15, 2011