

ARIZONA'S HEALTH INSURANCE EXCHANGE INGREDIENTS FOR SUCCESS AND AFFORDABILITY

An estimated 1 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.