



# Issue:

## Establishing a Minnesota Health Insurance Exchange

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### ● MMA Position

A Minnesota-made health insurance exchange will reflect our state's unique health care landscape, strengths, and patient needs better than one imposed by the federal government.

### ● Background

A health insurance exchange is a new mechanism for obtaining health insurance coverage. Similar to Expedia or Travelocity, it sets up an organized and competitive marketplace for health insurance products, easing the purchasing process for consumers and businesses. According to the U.S. Department of Health and Human Services, an exchange allows for "...easy comparison of available plan options based on price, benefits and services, and quality. By pooling people together, reducing transaction costs, and increasing transparency, exchanges create more efficient and competitive markets..."<sup>1</sup>

The Affordable Care Act (ACA) requires each state to set up its own health insurance exchange by 2014 or else rely on an exchange established by the federal government.

Insurance exchange planning activities already are underway in Minnesota. The Department of Commerce established a Health Insurance Exchange Advisory Task Force and Technical Work Groups representing a

balance of stakeholder interests to advise and provide technical assistance on the development of an exchange. This has become a very divisive political issue because of the strong opposition to ACA-related legislation.

Legislative support is important to continue to proactively advance exchange development if we are to meet critical deadlines under the ACA and maintain our ability to operate a Minnesota-made exchange.

### ● Talking Points

- State-level development of a health insurance exchange is vastly preferable to imposition of a federal model that may not take into account Minnesota's unique health care landscape, strengths, or patient needs. Action must be taken this year to ensure a Minnesota-based exchange.
- Governance of the exchange should be a shared public-private model with broad representation, including the voice of practicing clinicians and patients.
- An exchange should be used to increase health plan transparency, promote uniformity, and streamline administrative policies and processes.
- To the extent that physician quality or cost data is shared through an exchange, it must be reported at the level it was collected and be timely, valid, reliable, and useful.

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1. HHS Initial Guidance to States on Exchanges; Issued November 2010; Available at: [http://www.healthcare.gov/center/regulations/guidance\\_to\\_states\\_on\\_exchanges.html](http://www.healthcare.gov/center/regulations/guidance_to_states_on_exchanges.html).