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Act Now: New York needs a health exchange

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By

A key goal of the Affordable Care Act is covering 50 million uninsured Americans — 2.6 million of them in New York state, 83,000 of them in the four-county Central New York region.

Starting in 2014, all Americans must have health insurance. If the health care reform law withstands legal challenges, finding affordable coverage will be a major task. This is where health insurance exchanges come in.

These government-run “shops” would bring consumers and insurers together. Some people may be eligible for expanded Medicaid coverage. Older Americans will continue to receive Medicare. Individuals or small businesses might qualify for discounts or subsidies. There could even be more public options.

By the end of next year, each state is supposed to have a health exchange ready to offer insurance options. States not at that point by Jan. 1, 2013, might have to accept a one-size-fits-all federal model.

Much work must be done between now and then: setting rules, choosing vendors, deciding on benefit options. But first, each state must establish the body that will create an exchange. Federal money will help defray start-up costs.

As of the beginning of May, most states were moving ahead with legislation. Only 11 states — including New York — had not yet started. Only last week, the state Insurance Department held forums in Syracuse and across the state to invite comments and suggestions.

Health Care For All New York, a coalition of health advocates, good-government groups, unions and others, sensibly recommends a single state exchange, in the form of a public authority. It must be consumer-friendly, transparent, easy to navigate, with “apple-to-apple” comparisons between insurance plans. The exchange could be run by as few as seven members representing key state agencies, consumers and employers. Strict conflict-of-interest rules must apply. Additional expertise could come from an advisory committee of insurance and health care experts. Finally, HCFANY advocates “a pathway to a public option” as one exchange offering.

The insurance industry also has an exchange “wish list.” It proposes multiple exchanges within the state, no extra costs for insurers and a fair playing field for the industry — with no mention of a public option.

Many of these recommendations are for later, when the exchange takes shape. But the state needs to get going now. The legislative session is due to adjourn June 20. The governor must propose an exchange governance model, and lawmakers must act on it this year.

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