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Health Care For All New York
Position Paper
on
Governance for a Consumer-Friendly
New York Health Insurance Exchange
May 2011

Health Care For All New York (HCFANY) is a statewide coalition of over 115 organizations committed to winning quality, affordable health coverage for all New Yorkers. We strive to bring consumer voices to the policy conversation, ensuring that real consumer concerns are reflected. We also provide expert policy analysis, advocacy, and education on important health reform issues and policies that affect New Yorkers around the state. For more information on HCFANY, visit us our blog and website at www.hcfany.org.

This year, HCFANY's top priority is to ensure that New York takes concrete steps towards the establishment of a robust, consumer-friendly Statewide Insurance Exchange under the Affordable Care Act (ACA). To this end, HCFANY has adopted five standards for a New York State Exchange to ensure quality affordable health care for all:

1. One Statewide Exchange in a Single Merged Market for All.
2. An Exchange that Offers Quality and Affordable Benefit Packages.
3. An Exchange that is Easy to Navigate and Represents Consumers.
4. An Exchange that Builds on the Success of New York's Public Programs.
5. An Exchange that Supports Principles of Health Equity.

HCFANY's Position on Governance

HCFANY urges the New York State legislature to adopt Exchange Legislation in the 2011 Session, which ends on June 20, 2011. There are several key Exchange governance issues must be in any bill.

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The Exchange Must be a Governmental Entity

HCFANY urges the Legislature to enact a law establishing a government-run Exchange. A not-for-profit entity will not have governmental accountability or transparency and would not be trusted by the general public with making adjudicatory decisions or handling confidential information.

While HCFANY would be comfortable with either an Exchange housed in an existing governmental department or a public authority, it appears that a public authority does have some significant advantages, including enhanced flexibility in procurement and other rules singularity of mission, and freedom from conflict of interest between regulatory and contracting roles. In addition, a public authority is likely to be more trusted by the general public in handling complex data matches of tax, social security and other confidential information for which the general public has a general expectation and demand for maximum privacy and security.

Composition of the Board

HCFANY urges the Legislature to adopt a Board governance model in which the Board has seven members, appointed by the Governor, upon advice and consent of the Legislature. In New York, the ideal Exchange Board would have:

- **Three Ex Officio Members.** These members represent the regulators of the commercial and public insurance industry.
 - Superintendent of Insurance
 - Commissioner of Health
 - Medicaid Director
- **Three to Four Consumer and Employer Members.** These members represent the interests of consumer and employer purchasers of products offered by the Exchange, might also have public health research expertise, and must have demonstrated knowledge and expertise in at least two of the following areas:
 - Individual health care coverage
 - Small group coverage
 - Public Insurance coverage
 - Health plan administration
 - Health care finance
 - Administration of public or private health care delivery systems;
 - Purchasing and/or facilitating enrollment in coverage;
 - Public health and public health research, including expertise on health needs and health disparities in the State's diverse communities.
- **Anti-Conflict of Interest provisions.** The non-governmental members of the Board should meet the following guidelines:



- Reflect diversity of expertise;
- Reflect the gender, racial and ethnic and geographical diversity of the State;
- Shall not have any conflict of interest:
 - No financial interest consistent with New York's laws;
 - Not have an affiliation with a carrier, a producer, a third-party administrator, a managed care organization, or any other person directly contracting with the Exchange;
 - Not have an affiliation with any trade association of carriers, insurance producers, third-party administrators or managed care organizations or any other association of entities in position to contract directly with the Exchange.

Advisory Committee

In addition, the Board should establish an advisory committee which shall take into account the views and knowledge of these stakeholder who might be precluded from Board service by their conflicts of interest and to more fully represent the diverse interests of New York's stakeholders.

Membership should include:

- Commercial insurers carriers;
- Non-profit health plans;
- Licensed health producers and advisers;
- Third-party administrators;
- Health care providers, including:
 - Hospitals
 - Long-term care facilities
 - Mental health providers
 - Development disability providers
 - Substance abuse treatment providers
 - FQHC
 - Physicians
 - Nurses
 - Experts in services for juvenile justice
 - Licensed hospital providers
 - Other health care professionals
- Employers
- Unions
- Consumers, including those who:
 - Represent low-income consumers and/or racial or ethnic minorities
 - Have chronic diseases or disabilities; or
 - Belong to other hard-to-reach or special populations



- Individuals with knowledge and expertise in advocacy for consumers described above
- Public health researchers and other academic experts with knowledge and background relevant to the functions and goals of the Exchange, including knowledge of the health needs and health disparities among the State's diverse communities; and
- Any other stakeholders identified by the Exchange as having knowledge or representing interests relevant to the functions and duties of the Exchange.

Thank you for your consideration of HCFANY's Position Paper on Governance for a Consumer-friendly New York State Insurance Exchange. Should you like additional information about HCFANY, please visit our website at: www.hcfany.org. For more information about HCFANY's position on the proposed governance structure, please contact Elisabeth R. Benjamin, Vice President of Health Initiatives at the Community Service Society at: 212-614-5461.