

# Montgomery Advertiser

4-19-2012

## Health insurance plan gets House panel's OK

A House committee Wednesday approved a bill that would allow individuals and businesses to compare and price insurance plans.

Critics said the bill gives too much power to health insurance providers in setting exchange policies, and not enough to consumers.

The legislation, sponsored by Rep. Greg Wren, R-Montgomery, would create a board charged with creating a state health insurance exchange, a hub where those shopping for health insurance could compare prices and options among different plans.

The legislation would create a 21-member board to oversee management of the health insurance exchange, and establish provider fees to pay for the board.

Under the Patient Protection and Affordable Care Act, states are required to have exchanges in place by 2014, when the individual mandate in the legislation goes into effect. The states must show they are in the process of setting up an exchange by the 2013 or face the possibility of the federal government setting it up for them.

"The sheer fact is making substantial compliance towards the federal act should prevent us from having a federally run health insurance exchange, should something survive the Supreme Court decision, is something we're here to do," Wren told the committee.

Alabama's health insurance market is dominated by Blue Cross Blue Shield of Alabama. Last fall, the Kaiser Family Health Foundation reported the insurer sold 86 percent of the individual policies in the state, and 96 percent of the small group policies in Alabama, significantly higher than the national median rates of 54 percent and 51 percent.

Wren and other supporters have argued the exchange could provide a way for other companies to enter the state market.

"History's been around the country that where these exchanges are working, they have opened up the marketplace for additional companies and therefore competition for health insurance," Wren said.

The exchange would be funded under the bill through fees assessed on insurers offering qualified plans. At least nine of the 21 members on the board would be affiliated with insurers or health care providers; the legislation initially did not have a space for anyone representing consumers, but Rep. Joe Hubbard, D-Montgomery, introduced an amendment that would require the governor to appoint two consumer advocates to the board.

Wren also introduced an amendment that made the board quasi-public, and subject to state sunshine laws. John Pickens, director of Alabama Appleseed, said those changes improved the bill. However, Pickens said, the board was structured to be “top-heavy” with those in the industry.

“It's such a conflicted board that it's not going to be a consumer-driven exchange,” he said. “It will be provider, insurance company-driven exchange that won't have the interests of consumers in mind.”

Jim Carnes, a spokesman for Alabama Arise, said he would have preferred to see an “expert advisory committee.” Carnes was also concerned that only applying fees to products sold in the exchange — as opposed to charging them on health products across the board — would hurt the uninsured who will be using the exchange.

“We're concerned confining the fees to run the exchange exclusively to exchange products is an extra burden on low-income consumers who will be the exchange's primary customers,” he said.

Wren said the ACA had consumer protections that the state was required to implement. He also said the six legislators who will serve on the committee would be held accountable for their actions by voters.

Wren said he hoped to have a vote on the legislation after the House takes up immigration law changes and a bill that would establish charter schools.

The bill includes a provision for its repeal should the U.S. Supreme Court strike down the ACA, or the exchange components in it.