



November 29, 2012

The Honorable Representative Gail Haines, Chair, and
Members of the House Committee on Health Policy
Room 519, House Office Building
Lansing MI 48933

Re: *Support for Senate Bill 693 (MIHealth Marketplace Act)*

Dear Chairperson Haines and Committee Members,

We are writing on behalf of AARP Michigan to offer our support for Senate Bill 693, and to urge passage of this legislation without delay.

AARP supports implementation of a health insurance exchange in Michigan as an important step toward our vision of affordable, quality, secure health care for all. Having an effective state exchange that focuses on the consumer's best interests will help ensure the affordability of individual and small group health coverage. We would also like to take this opportunity to share with the Committee the following principles that AARP believes should guide the implementation of the MIHealth Marketplace:

- The pre-eminence of consumer focus and interests should guide the mission, functions and outcomes of Michigan's exchange. Consumer pre-eminence is partly proven in governance: the MIHealth Marketplace Board roster should include sufficient numbers of voting consumer representatives on the Board to reflect the cultural and geographic diversity of Michigan's consumer populations and markets. Furthermore, the exchange is required to select QHPs based on the "best interests of consumers" and that judgment should not be pre-empted.
- Michigan's exchange should be authorized to utilize the same competitive, market-based strategies successfully used by large employers in selecting insurers. Insurance plans should compete to be part of the exchange just as they compete for business with large employers, with competition based on criteria to ensure affordability, value, quality, and customer service in all plans.

- Criteria will be essential to ensure that plans submitted to the Marketplace are disqualified if, through their combination of low premiums and high deductibles, they result in underinsured beneficiaries who avoid or delay care to avoid expensive copays.
- Michigan's exchange should not be required to accept all plans that wish to participate, but instead should be able to limit the number of plans available to ensure that consumers and employers are able to see value for premium dollars spent. Limited participation will reinforce several policy imperatives: it will help ensure that high standards can be set to avoid a "least common denominator" result; it will allow a strong basis for negotiation; it provides the ability to reward with greater market share those plans that meet the highest standards; and it provides a real choice for consumers, rather than a confusing array of options for which "apples-to-apples" comparisons are difficult if not impossible to make. Including "any willing insurer" is not in the best interest of consumers. Michigan consumers need to feel confident that any plan they select will provide high value.
- One standard we'd like made prominent in the selection of qualified health plans under the Marketplace is to show preference to qualified health plans that show capacity to integrate with Medicaid and have meaningful and proven chronic care, disease management and preventive care programs. A standard for health disparities surveillance, effective education and intervention programs is also highly desirable.

Thank you for your time and attention to these matters. If you have any questions about these recommendations, or if there is further information we might provide, please feel free to contact Lisa Dedden Cooper, our Manager of Advocacy, at 517-267-8923 or lcooper@aarp.org. All of us at AARP look forward to continuing to work together with you on this important effort.

Sincerely,



Jacqueline Morrison
State Director