

The Honorable Tim Kelly
Chairman
Committee on Education Reform
Michigan House of Representatives
Lansing, MI 48933

Dear Chairman Kelly and Members of the Committee:

Based in Grand Rapids, Priority Health serves over 800,000 members across the State of Michigan. Our efficiency has allowed us to claim the best Medicare Star Rating in the state, according to CMS, and our individual plans on the ACA exchange are the only ones to recently drop in premium price. While I am currently serving as Senior Vice President Employer Solutions at Priority Health I have 35 years of experience in the health insurance industry and have worked with thousands of organizations, big and small, public and private, to ensure high-quality affordable health care options for their employees. I appreciate the opportunity to provide testimony in support of, and answer questions you may have regarding the proposed amendments to PA 106 of 2007.

Public Act 106 of 2007 was derived in an attempt to spell out standard reporting criteria that an insurer provides to a client when the client is seeking to re-bid their insurance coverage plans for its employees, in this case, public employers and public employees. However, PA 106 of 2007 didn't include clear, concise, and specific parameters for how that data is shared, both in format or specificity. Since 2008 the legislative intent has been blurred by insurers providing bulk and bundled data sets, hundreds of pages of hardcopy reports that cannot be easily manipulated with current standard technology, nor a clear delineation of up-to-date claims information. The spirit of the law has not been followed.

Traditionally when a client seeks to re-bid their insurance they demand the most accurate, up-to-date information from their current insurer in order to ensure that the re-bid process results in the most comprehensive, value-driven, and competitive offerings for their employees. Most Michigan employers want to do right by their employees. The only way for an insurer to provide the competitive bid that employers and employees alike desire, is by having the relevant and detailed data required to provide accurate coverage options and precise pricing.

Priority Health is supportive of the proposed changes outlined in HB 6357. We know that since the original enactment of PA 106 in 2007, data production, accessibility, and technology has streamlined the process for developing plans that accurately reflects the covered population. This information allows for comprehensive coverage while remaining financially sound for the consumer. It is time that this Public Act is refined to ensure that public employees receive the same benefits from the inclusion of industry standard data reporting, claims information, and reporting timeliness that occurs in the private sector. In doing so, insurers will be able to confirm that public employers are receiving the most comprehensive coverage, accurate pricing, and competitive bids, which will lower public employer costs, public employee cost sharing, and, ultimately, save the Michigan taxpayer dollars.

On numerous occasions the information received from public employers during a re-bid process has been so lacking in detail or specifics that many insurers, including Priority Health, simply opt not to