

**Contact:**

Ross Goldberg  
818-597-8453, x-1  
ross@kevinross.net

**President of CHOICE Administrators Exchange Solutions Suggests  
“Simplicity” and a Focus on “Things Important to Consumers” in the  
Development of State-run Health Insurance Exchanges**

(ORANGE, CA – October 25, 2011) — Kevin Counihan, president of *CHOICE* Administrators Exchange Solutions, told a VIP gathering of policy makers and analysts in Washington, D.C. recently that consumers seek simplicity and a focus on “things important to them” in the selection of health plans and in the development of state-run health insurance exchanges.

Counihan made his remarks as part of an expert panel that addressed the role of actuarial value in the Patient Protection and Affordable Care Act (PPACA). That Act requires all states and territories to establish and launch their own state-run health insurance exchange by January 1, 2014 or default to a federal fallback program.

In discussing the challenges of creating a methodology to compare health plans within an exchange, Counihan drew upon his experience with the Commonwealth of Massachusetts Health Insurance Connector Authority where Counihan helped organize and manage the nation’s first state-sponsored health insurance exchange for individuals and small businesses. Counihan said the Connector Authority surveyed 1,800 consumers and found that while many initially wanted broad choices in plan design and selection, as coverage choices became more complex, they ultimately reduced the number of choices.

“We found that between six to nine plan designs was ideal,” said Counihan. “The notion of having 50 or 100 different plan designs was something that consumers found very confusing and actually made them suspicious. What they really liked instead was the simplicity of gold, silver, bronze and low, medium, and high coverage variations within each medal tier.”

Counihan also said that his research showed that, not surprisingly, in selecting a plan within an exchange “people want to be able to compare factors that are important to them such as network, price, services, reputation and rankings.”

The same focus on simplicity and clarity applied to what consumers want when it comes to being informed on their health plan’s benefits. “Health insurance is not interesting to most consumers and what we heard time and time again was a request to make printed information simple and design a website that is easy to navigate and understand,” Counihan said. “People also like visuals rather than a lot of reading, so one of things we’ve done is create 45-second videos for key insurance terms. If someone wants to know what co-pay or co-insurance are (for example) they can watch a video and quickly become informed.”

*CHOICE* Administrators Exchange Solutions is a division of *CHOICE* Administrators, the nation’s leader in developing and administering health insurance exchanges. For the past 15 years *CHOICE* Administrators has been operating *CaliforniaChoice*, the nation’s most mature private small-group health insurance exchange currently serving 10,000 employers and 150,000 members.

Attending Counihan’s presentation were staff from Congressional committees, representatives from the Department of Health and Human Services and other national policy leaders and analysts. The event, held at the Kaiser Family Foundation’s Barbara Jordan Conference Center, was sponsored by the Consumers Union, an independent nonprofit organization best known as the publisher of *Consumer Reports*.

*CHOICE* Administrators is part of The Word & Brown Companies, the nation’s leading developer and administrator of consumer-choice exchange models. Among the exchanges currently operated by *CHOICE* Administrators are the *CaliforniaChoice*<sup>®</sup> small group (2-50 employees) and mid-market (51-199 employees) private exchanges; HSA California; Choice Builder, the nation’s first ancillary benefit exchange; and Quotit, one of the nation’s largest individual/family proposal and online enrollment systems that generated nearly 50 million individual health quotes in 2010. Other *CHOICE* Administrators products include Kaiser Permanente Choice Solution and Contractors’ Choice. Further information is available at [www.choiceadminexchanges.com](http://www.choiceadminexchanges.com)

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