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**CHOICE Administrators Exchange Solutions Offers States
“Partnership Options” in the Establishment of Health Insurance Exchanges**

*Leading Health Insurance Exchange Provides States Viable Alternatives to
“Going it Alone” or Partnering with Feds in Complying with Health Reform Mandates*

(ORANGE, CA – November 2, 2011) — The Department of Health and Human Services (HHS) recently laid out options for how states can work in partnership with the federal government in the establishment and operation of [health insurance exchanges](#). In the wake of that report, the nation’s leader in the field of health insurance exchanges today presented an additional option for states looking for support in this mammoth effort.

“There is another viable option for states deciding whether to go it on their own or default to a federal program,” said Kevin Counihan, president of *CHOICE* Administrators Exchange Solutions. “States should consider partnering with an organization that has the experience and track record of successfully running a private exchange.”

In the “partnership model” outlined by HHS, the federal government and individual states would each operate discreet functions of the exchange with HHS responsible and accountable for ensuring that the state exchange meets required standards. Under the plan management option, states would collect and analyze insurance plan information, monitor plans, and collect and analyze data. HHS would coordinate with the state in responding to consumer complaints and enrollment issues.

Counihan believes there is another option for states to consider.

“Partnership opportunities make sense to many states due to time and resource constraints, but building a successful exchange requires more than federal compliance,” he says. “What we are hearing from states around the country is the need for the exchange to represent the unique demographic, business and cultural characteristics of their state. We meet that need in a way that doesn’t involve a federal agency getting involved in state decisions and policy making.”

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For the past 15 years, *CHOICE* Administrators has been operating the nation's most successful small-group private health insurance exchange, *CaliforniaChoice*, which currently serves 10,000 employers and 150,000 members. In addition, Counihan previously served as the chief marketing officer for the Commonwealth of Massachusetts Health Insurance Connector Authority, where he helped procure, organize and manage the nation's first state-sponsored health insurance exchange for individuals and small businesses.

“Our record of creating successful health insurance exchanges makes us uniquely qualified to respond to the special needs states may have when establishing their own health insurance exchanges,” says Counihan. “We offer a turnkey solution that minimizes administrative hassle, complies with federally mandated regulations, is customizable and allows states to launch an exchange within the required timeframe.”

To help states with this challenge, [*CHOICE Administrators Exchange Solutions*](#) recently developed a “seven-step strategy” that provides a potential roadmap for developing state-specific insurance market reforms – from offering suggestions on how states can determine qualified carriers and health benefit plan characteristics to how to establish a legislative oversight committee to supervise the exchange. The strategy also outlines how to certify licensed brokers as “navigators” and factors to consider when contracting with a private-sector integrated-exchange IT platform to provide enrollment portal, customer service and operations functions. The report is available at www.choiceadminexchanges.com.

A key part of healthcare reform is the requirement that every state establishes a health insurance exchange by January 1, 2014, or default to a federal fallback program. These exchanges will create an online, one-stop shopping mall where consumers, employers, insurance brokers and others will easily view competing health plans side by side, comparing benefits, costs, provider networks and other features. Exchanges will also enable eligible individuals to access subsidies and employers to access tax credits. The Congressional Budget Office estimates that more than 8 million people will buy insurance through exchanges in 2014. And the Deloitte Center for Health Solutions foresees an exchange market of as many as 46 million members in 2019 if the Patient Protection and Affordable Care Act is implemented without major changes or surprises.

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CHOICE Administrators Exchange Solutions is a division of *CHOICE* Administrators, the nation's leader in developing and administering health insurance exchanges. Currently serving more than 10,000 employers and more than 150,000 members, *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 California*Choice*[®] 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

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