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CHOICE Administrators Exchange Services Issues Seven Step Strategy to Help States Comply with Health Reform Mandates

(ORANGE, CA – June 15, 2011) — As America’s 50 states grapple with how to comply with required elements of healthcare reform, *CHOICE* Administrators Exchange Services, the nation’s leader in developing and administering [health insurance exchange programs](#), has issued a white paper offering a seven step strategy that states could potentially follow to craft measures that provide options unique to their citizens while fulfilling federal regulatory requirements.

A key part of the Patient Protection and Affordable Care Act (PPACA) 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 can review competing health insurance plans side by side and compare benefits, costs, provider networks and other features. The Congressional Budget Office estimates eight million people will use the exchanges in 2014, with participation tripling by 2018.

“As complicated and controversial as the passage of the healthcare reform was in 2010, its implementation in many states is proving to be the real challenge,” says Ron Goldstein, president and chief executive officer of *CHOICE* Administrators. “States reviewing their obligations and timing deadlines are confronting the practical and political realities of having unique demographic, business and cultural characteristics that demand more attention than mere federal compliance.”

Currently, many states are looking for means to fashion their health insurance exchange in a way that reduces the number of uninsured and improves access to health insurance while, at the same time, reflects the special characteristics of their state. “Many states are looking for ways to adopt as much of PPACA as possible and several are in discussions with the department of Health and Human Services about what limited reforms might be acceptable,” says Goldstein. “After meeting with many states with diverse demographic and cultural characteristics and leveraging the experience gained over 15 years of operating the nation’s most successful private

health insurance exchange, California*Choice*, we crafted a plan that may help states develop solutions to their state specific needs.”

Kevin Counihan, president of *CHOICE* Administrators Exchange Services, believes that the Patient Protection and Affordable Care Act provide flexibility for states to address their specific needs if they are strategic and thoughtful in their approach. Counihan formerly served as chief marketing officer at 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.

“We understand the unique needs that states have and are sensitive to the tightrope they must walk,” he said. “Our goal through the creation of our seven-step strategy is to provide states with practical ideas that could help them craft health reform in ways that meet their individual and unique needs and avoid defaulting to the federal exchange model.”

CHOICE Administrators seven-step strategy 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.

“While parts of this strategy may not be appropriate for all states, it is intended to aid those who wish to explore the flexibility offered by the PPACA to establish an exchange specific to their own needs. It may be, for example, that one state picks five of these strategies while another state adds two more ideas,” says Counihan. “In any case, it is time for states to think about how they are going to build, launch and effectively operate a health insurance exchange that complies with all federal mandates and provides them the individuality that their citizens require.”

The complete white paper entitled “State-Based Health Reform: A Seven Step Strategy” is available at www.choiceadmin.com/exchanges. The paper also includes key milestone dates leading up to the January 1, 2014, mandated launch of each state’s health insurance exchange.

CHOICE Administrators is the nation’s leader in developing and administering health insurance Exchanges, with experience supporting integrated and proven Exchange models since 1996. Currently serving more than 10,000 employers and more than 150,000 members, and producing over 4.2 million Individual and Family Plan quotes in 2010, *CHOICE* Administrators, a member of The Word & Brown Companies, is the nation’s leading administrator of consumer-choice Exchange models. Further information is available at www.choiceadmin.com.