



Health Care for All!

Maryland Citizens' Health Initiative
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August 20, 2010

Beth Sammis, Acting Commissioner, Maryland Insurance Administration
Rex Cowdry, Executive Director, Maryland Health Care Commission
Governor's Coordinating Council on Health Care Reform, Exchange and Insurance
Markets Workgroup

Dear Ms. Sammis and Mr. Cowdry:

The Maryland Health Care for All! Coalition is made up of over 1,200 health care, business, faith, labor, and community groups from around the state that have endorsed our Health Care for All! Plan. Our Coalition strongly believes that all Marylanders should have access to quality and affordable health care.

Make health care more affordable. There are significant provisions in the new federal health reform legislation that will make health care more affordable for both employers and consumers. Maryland should do more to make health care more affordable for all:

- a. *Build a strong exchange pool and provide clear, simple ratings for exchange plans.* To maximize the pooling power of health care consumers and increase competition among insurers to contain rate increases, Maryland should merge the non-group and small group markets (rather than maintaining segmented markets) and allow larger businesses with more than 50 employees, possibly even including government entities, to participate in the exchange. Pooling risk for plans both inside and outside of the Exchange could reduce adverse selection and prevent the Exchange plans from having higher premiums. We would also like to see competitive bidding within the exchange. Setting a negotiating process will let plans participate in the exchange (instead of an all-player market) and keep plan value high and cost low. As to benefit design, we would encourage the work group to communicate with HHS about any important benefit mandates in the essential benefits package if Maryland wants to require any benefits beyond those in the federal package, including any cost to the state.
- b. *Encourage full Value Based Insurance Design (VBID) plan offerings in the Exchange.* When properly constructed, VBID promises to give patients and providers incentives to utilize high value, evidence-based treatments and diagnostic tests through cost-sharing linked to value and efficiency. Experts estimate that VBID offerings could reduce health care inflation by up to a third.

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- c. *Governance.* For the Exchange we recommend, a commission with appointees by the governor, including executive office leaders (e.g. Medicaid Director) represents a good compromise—more connected to state agencies than a non-profit yet more independent than a state agency. In addition to gubernatorial appointees, members could be appointed by the top consumer protection agency official (e.g. the AG). Exchange board members should be free from conflicts of interest and instead should represent policy holders who are the primary stakeholders, supplemented with technical experts. The Exchange needs to be protected from administrative pressure no matter what party is in office at the time. It is critical that Exchange business be conducted in a transparent way and be subject to open meeting laws. Agendas and supporting documents should be required to be made available in advance of meetings on a website. With respect to Navigators, the Navigator function should be merged with the Consumer Assistance function and be performed by an independent consumer oriented nonprofit organization or organizations. If the state decides to consider a strong comprehensive health plan, it would make sense to run that through Medicaid.

Sincerely,

Vincent DeMarco President,
Maryland Citizens' Health Initiative Education Fund, Inc.