

**Connecticut Health Insurance Exchange CEO Kevin Counihan Testifies on Affordability Issues to Connecticut General Assembly Insurance and Real Estate Committee**

**--Explains Why Price Negotiation is Not an Option Now, Would Limit Consumer Choice and Negatively Impact Pricing--**

HARTFORD, Conn., Jan. 31, 2013 /PRNewswire/ -- Kevin Counihan, CEO of Connecticut Health Insurance Exchange, testified today in front of the Connecticut General Assembly Insurance and Real Estate Committee, led by Senator Joseph Crisco and Representative Robert Megna. Counihan, an advocate for fair and transparent health insurance pricing, has worked in health insurance exchanges for the past seven years, as a senior leader of the Massachusetts Health Insurance Connector, and as president of a private health insurance exchange in California.

"As you know, the Affordable Care Act (ACA) was created to provide more transparency, more health plan choice, and more affordable coverage options for state residents and small businesses," said Counihan, "The issue of health insurance affordability is of primary importance to us, and our Board of Directors and staff have worked to both promote affordability and to conform to the complex requirements of the ACA."

Counihan discussed why price negotiation would be problematic during the initial stages of the ACA. He said, "Price negotiation in the start-up period of the ACA is impractical and risks diluting a key competitive advantage of the Exchange. We do not know the number of enrollees in the Exchange, what products they will buy, their health status and utilization level, their geographic or demographic mix, the stability of the enrollee population, or other details required to have a substantive negotiation with an insurance company."

The CEO went on to explain that rate negotiations without supporting facts and data would likely result in fewer insurance carriers participating in the Exchange. This would limit consumer choice and reduce market place competition, ultimately resulting in higher prices for consumers. The lack of negotiation will keep prices level and predictable while the ACA is in its implementation phases across the state.

Counihan also clarified what the term "active purchasing" really means. "Active purchasing is often used misleadingly as a proxy for rate negotiation. While rate negotiation in our initial launch phase may not be in the best interest of consumers or small business, we support continuing to be an active advocate for consumer-focused market reforms," said Counihan, "These include such changes as the elimination of medical underwriting, the elimination of exclusions for pre-existing conditions, the removal of price differentiation based on gender, benefit plan standardization based on metal tier, and providing consumers with health plan quality ratings."

In concluding, Counihan said, "I returned yesterday from a meeting with the CEOs of 17 other states implementing state-based insurance exchanges. I polled each of the 17 states to determine which states were prospectively negotiating rates with carriers, including Massachusetts and California. The result was not one of the 17 states were negotiating rates for the reasons I outlined."

The Connecticut Health Insurance Exchange is committed to transparency and to giving the citizens of Connecticut a chance to voice questions, concerns, and ideas. Last year, the Exchange hosted a series of "Healthy Chat" town hall-style sessions throughout the state, where residents could learn more about their health care options, and dialogue with the Exchange leadership and board. A second series of events is being planned for the beginning of 2013. In addition, the public is invited to the Exchange's monthly Board meetings, which are also videotaped and shown on Connecticut Television News.

"It was an absolute privilege to testify today on an issue of such importance," Counihan said, "We have the best interests of the citizens of Connecticut at heart in everything we do. We make decisions in an open and collaborative manner, working closely with our board, and our Advisory Committees, who represent a wide array of stakeholders, including representatives of providers, payers, consumers and business advocates. I invite anyone who is interested in learning more about the Exchange to come to one of our meetings."

**About the Connecticut Health Insurance Exchange**

The Connecticut Health Insurance Exchange (the Exchange) was created by the Connecticut Legislature in 2011 and is a quasi-public agency to satisfy requirements of the federal Affordable Care Act. The mission of the Connecticut Health Insurance Exchange is to increase the number of insured residents in Connecticut, promote health, lower costs and eliminate health disparities. Its vision is to provide an on-line eligibility, shopping and enrollment experience for state residents and small businesses.

The Exchange will ensure that participating health plans available during October 2013 open enrollment meet certain standards and facilitate competition and choices by rating the quality of each plan. Individuals and families buying coverage through exchanges may qualify for premium tax credits. The exchanges also will coordinate eligibility and enrollment with state Medicaid and Children's Health Insurance Programs. More information is available by visiting [www.ct.gov/hix](http://www.ct.gov/hix).

CONTACT: Jason Madrak, CT Health Exchange, +1-860-418-6254, [Jason.madrak@ct.gov](mailto:Jason.madrak@ct.gov)