

## **SECTION 4 - THE HEALTH CARE MARKETPLACE**

### **RESOLUTION 4.01:**

# **THE DESIGN OF EXCHANGES**

The Patient Protection and Affordable Care Act provides for the creation of health insurance “exchanges,” the design of which will largely be under the purview of state legislatures. At a high-level, exchanges are intended to expand access to coverage and create a more competitive marketplace for private insurance. Depending on their design, they could also simplify the insurance market for consumers and create standards for high value providers.

Because health care is a complex and interdependent industry, the establishment of exchanges may have far reaching impacts on the labor market and on the financial health of business. If exchanges are to be established, they should be established in the most efficient and effective way possible (ie. state, regional or national) and achieve the following goals:

1. Improve health, health care and control costs, not merely serve as a venue to buy insurance and receive tax credits;
2. Minimize the risk of negative market consequences;
3. Continuously advance public disclosure and consumer understanding of meaningful cost and quality information to compare plans, hospitals and clinicians;
4. Align incentives to reward higher value health care;
5. Encourage and support consumers to be good stewards of their health and health care spend through education and incentives;
6. Be voluntary; a well-performing exchange will win market share on its merits;
7. Simplify and streamline choices from a consumer perspective.

We believe metrics should be developed and publicly reported to gauge the efficiency and effectiveness of the exchange and that its performance should continuously be improved.