



# *Michigan Association of Health Plans*

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For Immediate Release  
July 5, 2011

For More Information  
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## **Michigan Association of Health Plans urges state to move forward on developing Insurance Exchange for Michigan**

A new white paper from the Michigan Association of Health Plans takes a clear position on insurance exchanges mandated by federal healthcare legislation: "The determination of what the Insurance Exchange will look like should and must be a Michigan decision and not one forfeited to the Federal Government."

The white paper notes that the federal Affordable Care Act requires states by 2014 to establish exchanges – places where consumers can go to find a variety of insurers offering health insurance – or have the federal government impose an exchange on them.

Michigan should take action soon, including approving legislation, to allow creation of a state-developed insurance exchange, the MAHP paper concludes. Such an exchange will empower consumers and small businesses to make informed decisions on buying health insurance coverage from insurers. Insurers will freely competing on a level playing field that encourages innovation, quality and price competition.

The white paper goes on to call for "minimalist" legislation needed to allow interested parties to continue to work out details of an exchange under the oversight of appropriate state officials. The entire paper is available at <http://www.mahp.org/whitepapers.html>

It also notes the importance of creating a level playing field among insurance providers who offer services through the exchange. Today, the state provides Blue Cross Blue Shield of Michigan with special tax breaks not enjoyed by competing companies.

"The development of the Insurance Exchange will provide the opportunity, if not imperative to establish the regulatory environment that will enable all carriers to fairly compete for business," the MAHP position paper says.

MAHP's position also lays out key desired characteristics of a Michigan Insurance Exchange, saying it must:

- Recognize the "local" nature of delivery of care
- Allow regional differences to be reflected in choices for customers, including choice of health plan
- Create an attractive risk environment
- Be operated efficiently and with dedication toward serving unique markets and customers

- Start small—build on success.

"We envision the exchange as a 'market organizer,' providing an important – but not the only – venue for individuals and businesses to come to find the right insurance product for their needs, at a price they can afford," said Rick Murdock, executive director of the Michigan Association of Health Plans. "It could end up being somewhat like an 'Expedia' for health insurance," he said, comparing it to the on-line aggregator of airline travel options.

"This is a pro-market, pro-consumer activity, one that is worth moving forward on even if federal health care law is changed in coming years," he said. "Small steps taken now to enhance competition are preferable to having federal officials install what could be a heavy-handed regulatory approach in 2014."

Murdock noted that it is important for Gov. Rick Snyder and the Legislature to begin moving toward enabling legislation and policy soon, since companies who wish to provide services in the state through the exchange need to understand the ground rules and begin developing insurance options.

"Preparing new products takes time. MAHP members want to fully understand the regulatory environment, begin developing innovative products individuals and businesses want and then do the needed analysis to create the appropriate prices," Murdock said. "This takes time. We need to move forward now, not wait until 2013, to develop rules that will work for Michigan."

*The Michigan Association of Health Plans (MAHP) is an industry voice for 17 health care plans, covering over 2.1 million Michigan residents, and 45 businesses affiliated with the health care industry. MAHP facilitates communication among members, government, and the industry regarding health care issues of common concern. MAHP's mission is to provide leadership for the promotion and advocacy of high quality, affordable, accessible health care for the citizens of Michigan.*