

# CENTER *for* RURAL AFFAIRS



My name is Jon Bailey, Director of Research and Analysis at the Center for Rural Affairs.

Thank you Governor Heineman and Director Ramage for this opportunity.

## Recommendations about a health insurance exchange

Any exchange should have a strong and independent governing board that reflects the intended focus of the exchange on benefitting consumers.

Any exchange should be structured to implement the “no wrong door” approach so that individuals and families can go to a single point of access to determine eligibility for premium tax credits, Medicaid or the Children’s Health Insurance Program.

As a state with a large rural population with uninsured rates in much of rural Nebraska higher than the state average, any exchange in Nebraska must recognize the unique circumstances of the rural population. Outreach in rural areas is traditionally difficult. Any exchange must take steps to facilitate outreach and enrollment in rural areas and must not rely solely on web-based enrollment. Enrollment must be allowed at physical locations in rural areas and a strong community-based navigator system must be implemented.

## Support state-based exchange?

Ideally we would favor a state-based exchange. But, currently we cannot commit because we do not know what either a state-based or federal exchange will look like in addressing important issues to Nebraska consumers and to rural areas of the state. In the end, no matter who operates the exchange we want an exchange that works for consumers and provides affordable, comprehensive health insurance choices.

## If so, specific recommendations on how to fund a state-based exchange

Any funding mechanism should be broad-based and should not force further fees or taxes on consumers. For example, the Affordable Care Act (section 1311) allows the Exchange to charge assessments or user fees to participating health insurance issuers or other state choices to generate revenue to support the exchange. Since exchange enrollment will help control premium costs for everyone and since health insurance will reduce the hidden tax of uncompensated care for everyone, we recommend all health insurance policies in the state contribute a fee to the exchange. We also recommend gradually shifting funds from the Comprehensive Health Insurance Pool to the exchange as the exchange is implemented since the CHIP program should not be needed once the exchange is the fully operational.