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ADVOCATES FOR A
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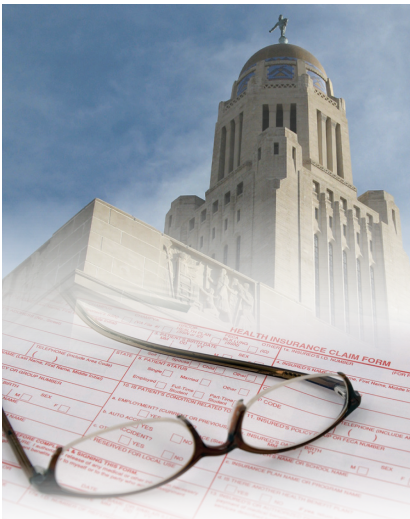


Principles for a Nebraska Health Insurance Exchange: Governance & Oversight

The Patient Protection and Affordable Care Act (ACA) encourages states to establish new health insurance marketplaces, called “Exchanges,” that are meant to serve as a place where all Nebraskans, including low- and middle-income Nebraskans and small businesses can access high-quality, affordable health coverage. Establishing an Exchange in Nebraska is one of the most crucial aspects of implementing the law on the state level, as the Exchange will be the means for Nebraskans to find health coverage that is appropriate for them.

The ACA requires that each state have a health insurance exchange up and running by January 1, 2014. While the federal government will establish initial guidance on the creation of the exchange, states have a significant amount of flexibility to determine how the exchanges should be governed, what benefits will be included, and how consumers will interact with insurers and their products.

The way in which the Exchange is governed and structured will have a profound effect on how well the Exchange works for Nebraskans. The Exchange should ensure that all policy choices are considered from a consumer perspective and that decisions are made based in the consumer’s best interest. As a result, the planning process is critical in assuring that Nebraskans are well served by an Exchange. The following principles regarding exchange governance and oversight will best guarantee that the exchange functions as intended: as a competitive marketplace for high-value coverage that is user-friendly, transparent, and stable. *(continued)*



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Independent Entity

- The Nebraska Exchange should be governed by an independent board, created and overseen within government, but independent of the executive branch.
 - The Exchange board should be given the flexibility to design its own processes, such as hiring, contracting, and procurement.
 - The Exchange board should have the authority to procure health plans and information technology and negotiate with third parties.
 - The Exchange board should develop strong and transparent communication from the start with the state agencies that will be involved with Exchange functions (e.g., the Department of Insurance, the Department of Revenue and the Department of Health and Human Services).
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Exchange Governing Board

Board Selection and Composition

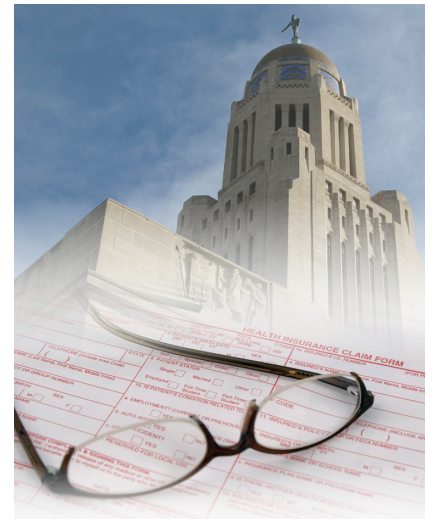
- The board should be made up of representatives of a variety of interests, perspectives, geographic areas and fields of expertise.
- Board members should be appointed by multiple elected officials in order to promote agency independence.
- A majority of the board members should represent individuals who will directly gain insurance through the Exchange. The board should have sufficient cultural, racial, gender, and ethnic diversity in order to truly represent the unique makeup of Nebraska.
- The Exchange governing board should also include representatives of people who are subject to age rating in the Exchange, Nebraskans with behavioral health needs, Nebraskans with physical disabilities, representatives of patients with cancer and other chronic diseases, and small business owners

Expertise

- Each member of the Exchange governing board should have demonstrated and acknowledged expertise relevant to Exchange functions (e.g., health care finance and economics, actuarial science, individual health coverage, small employer health coverage, and public health administration).
- The governing board should have the authority to create issue-specific working or advisory groups to gain specific technical information that is needed to effectively operate the Exchange.

Transparency and Conflicts of Interest

- To ensure that the Exchange functions in the best interests of consumers, individuals employed by, affiliated with, or with a direct financial stake in the following groups should not be represented on the Exchange: health insurers, agents or brokers, hospitals, information technology or other vendors who may seek business from the exchange, and active health care providers.
- Irrespective of who serves on the Exchange governing board, necessary protections should be implemented to ensure that board members with conflicts of interest disclose any conflicts and abstain from relevant voting and decision-making activities.
- To provide a voice for insurer, producer, and provider interests, while avoiding conflicts of interest with exchange governance, a separate advisory board may be established.
- The Exchange governing board should abide by Nebraska's open meeting and open record laws, hold public hearings on its activities, put out advance notice for public meetings and hearings, provide timely meeting minutes, and schedule some of its meetings during non-business hours to encourage consumer participation.



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