



**NYS Insurance Department Public Forum on the Health Insurance Exchange  
Rochester, N.Y., May 19, 2011**

**Testimony from Thomas Mahoney, M.D.  
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Good afternoon. I am Dr. Thomas Mahoney, Director of Community Health Improvement at Finger Lakes Health Systems Agency.

I want to begin by recognizing New York State for its critical role in implementing the federal Patient Protection and Affordable Care Act and by thanking the state Insurance Department for holding this and other public forums on the design of New York's health insurance exchange – a major piece of the federal legislation.

FLHSA is an independent, regional health planning organization working to improve health care in Rochester and the Finger Lakes region. Our agency analyzes community needs, brings together organizations to solve health problems, and measures results. We serve the nine counties of Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne and Yates.

FLHSA has convened multi-stakeholder community efforts to improve health care and initiated intervention programs to bring about community health improvement. It is our belief that health care is local, and that it is essential that to use multi-stakeholder processes to address community health issues.

The state has numerous design options to consider in setting up the health exchange. These include:

- Creating one exchange for the state with adjustments by region, or separate exchanges by region.
- Setting up one combined exchange for individuals and small businesses, or separate exchanges for each group.
- Combining individual and small group markets, to spread cost and risk across both groups.
- Deciding whether to allow small businesses with more than 50 employees to participate.
- Determining how to avoid having all sick people grouped in an expensive plan and healthy people in another.
- Deciding how many plans should be offered, and how to make them understandable to consumers.

From FLHSA's perspective, multiple regional exchanges seem to be the best design for our state. Regional exchanges would help maintain individual community efforts already underway to improve community health and health care.

In the Finger Lakes region, our local initiatives simply would not be successful without the involvement of our local insurers. They have been active participants, they have provided data that have been essential to these efforts, and they have provided direct funding or changed reimbursement to fund programs. For example, both Excellus and MVP are paying for transition coaching for their enrollees in the community Transitions of Care program to decrease hospital readmissions. They also are supplying readmission rates to help the community track the program's success.

To preserve insurers' ability to participate in community improvement efforts, we urge that:

1. However the health insurance exchange is set up, whether regionally or statewide, it must allow for the ability to address differences in local communities.
2. There needs to be a mechanism for recognizing or rewarding insurers who actively participate in local community programs. If there is no such incentive and price becomes the only way insurers can compete in the exchange, there will be a disincentive to work in community collaboration.

In addition, it is important to consider that different populations with different needs may use the health exchange – specifically those receiving public programs, those seeking coverage employed by small businesses, and those in individual markets. This issue has been raised at FLHSA-hosted community consumer forums on what is necessary for the exchanges to be successful in decreasing the number of uninsured.

Those people eligible for public programs are successfully being served by facilitated enrollers. Those in small businesses rely on their employer and are accustomed to that resource in seeking insurance – and need continued support. Those in the individual market need guidance with CAP and navigation in approaching their new access.

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