

Good morning my name is Gary Slavin and I have been a professional insurance agent for over 30 years, my practice focuses on employee benefits and financial services. I am a member of the Professional Insurance Agents Association of New York and I hold the certified insurance counselor and the life underwriting training council fellow designations.

I support the guiding principles for establishing the New York Exchange issued collectively by the associations representing agents across the state. My additional comments for health care reform are

- 1. The New York insurance exchange should be modeled more like the Utah's insurance clearing house rather than Massachusetts connector.** Operating as a clearinghouse exchange (hereinafter "clearinghouse") will save taxpayers money because we will not need to create a new state bureaucracy, as New York already has this process established in the Healthy NY and the independent agent insurance distribution system. Independent agents have always addressed the specific needs of their clients because we are their neighbors, we understand our clients financial obligations . Additionally in the clearinghouse model, choice is left in the hands of the consumer, encouraging health insurance companies to compete by offering plans, services to control cost, improve quality and meet consumer's real preferences. The clearinghouse model is designed to address the needs in the market by simplifying benefit management for employers, giving predictable cost through a defined contribution mechanism, enabling bundling of premium contributions for individuals, and expanding healthcare portability.
- 2. Anyone who is operating within the clearinghouse or advising health insurance consumers should be required to hold a valid New York state insurance license and have completed a continuing education course on the operation and coverage's of the clearinghouse.** The affordable care act is a complex piece of legislation and to ensure that every person in the distribution process are up to date on the legislation and coverage's, the New York State Insurance Department should develop a continuing education course to ensure that New Yorkers have the most educated brokers or agents on this subject. The Professional Insurance Agent's Association of New York would be glad to assist you in this regard
- 3. The "clearinghouse" should allow for fair compensation in the form of commission or fees to licensees for providing insurance services to consumers. This is a system that has been proven economical and to work.**
- 4. By establishing the single clearinghouse system, for individual and small businesses with less than 100 employees, you will be pooling large number of health insurance purchaser together, which will reduce the administrative, marketing and transaction cost for the insurers.** One of the obstacles to reducing the cost of health for the individual and small-group market is the higher administrative cost, because it is more expensive to collect premium and market to individuals and small business than it is to one centralized corporate human resources department. To reduce administrative expense the clearinghouse should encourage all enrollment transactions be done on the web portal and direct payment system should be established to do away with the cost of producing and mailing the bill; these changes should translate into lower cost for consumers and small businesses.

5. **While the State must oversee the operation and regulation of the exchange, I believe most of the controls already exist in current insurance regulation.** Besides offering the five affordable care act plans, State mandates should be offered as optional riders. The exchange should also offer consumer driven health plan designs. Instead of achieving value and cost thru regulation, these consumer driven plans will achieve the value and cost dictum thru a wide variety of plan designs and competition. Any fear that consumers won't be able to navigate or understand the difference in this plans should be resolved by the continuing education requirement for insurance brokers and agents that wish to transact business in this marketplace.
6. **New Yorkers, like the rest of the nation, want options when deciding on their healthcare plans therefore the more the choices the better.**
7. **The most efficient way to market the exchange is through licensed agents or brokers who have taken the continuing education course on the Affordable Care Act.** Insurance agents are in every community of the state, and they literally talk the language of their clients. We are familiar with their families, their businesses and their lives. We know a lot about our client's circumstances and will be able to explain the complexities of the different insurance plans, thereby ensuring that our clients buys the most appropriate plan for their needs.

We must look at the Affordable Care Act and the requirement to establish an insurance exchange as New York's opportunity for economic revival, because if we do this right, it will reduce the cost of medical insurance, and most importantly lead to job creation and business expansion. For this to occur our legislators and officials must re-look at the community rating law and change it so that companies have the ability to experiment with a wide range of co-payments and deductibles.

Thank you for your time.

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