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Testimony regarding Health Insurance Exchanges
Health Care Reform
Thursday, May 19, 2011

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Good afternoon. Thank you for the opportunity to address this group regarding the creation of health insurance exchanges in New York State. My name is Jodie Perry and I am the President & CEO of the Greece Chamber of Commerce, the largest suburban Chamber in Monroe County. I am speaking today in two unique roles. First as the representative of 730 local businesses in the greater Rochester, NY area who are members of our Chamber. Second, I speak as a licensed insurance broker assisting hundreds of businesses with their health care insurance needs.

First, on behalf of the hundreds of small businesses that we represent I applaud the State for taking the time to seek input on this process. Chambers of Commerce have worked with small businesses on health insurance all across the State for decades. Indeed, in some ways we have operated very similar to how I see an exchange working. Under the traditional Chamber model we offer a set number of insurance products from the insurers (usually, a variety of plans ranging from a traditional HMO to the more cutting-edge high deductible plans). The insurance companies provide us with a side by side analysis of the benefits that these plans have to offer. The consumer is easily able to shop by looking at the benefits that most impact them. For some that may be the co-pays for doctors' office visits, for others the important part may be the cost of in-patient hospital care or the pharmacy drug rider available.

The challenge in health insurance, as you know, is that each person is unique in their needs. There may be broad-based similarities between groups of people, but in our experience of helping to align people with the best insurance plan, it is really a case by case basis. Even with the stipulations that the insurers have already placed on small businesses for underwriting requirements it can be difficult to find a plan (or multiple plans) that fit with each employee in a small business.

I strongly encourage this group to consider the set up of regional exchanges to take into account the differences in the vast expanse of this State. Just as high deductible plans were slower to catch on in New York State than they were in other parts of the country, there are differences between carriers, plan types and pricing between different parts of the State. What we have heard loud and clear from our hundreds of members is that they want to be able to retain a say in their health insurance. Health insurance is a much more real and personal decision than say, choosing an auto insurance company. When people come to our offices, we hear their



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story (even when we don't need to) and we know the time and personal attention that is involved with getting people matched to their correct plan. They have many questions which cannot just be answered with a website but need personal attention given to them.

I also encourage this group to consider the creation of separate exchanges for individuals and small businesses. I can personally testify to the strong need that is out there for a reasonably-priced, good-coverage plan for individuals. A decade ago, those individuals used to be able to purchase group insurance through the Chamber. That ended many years ago but we still receive hundreds of calls a year from people who fall into this category. They may have retired early but do not qualify for Medicare yet. I hope that an exchange will take these people into account and help them to obtain reasonable coverage. On the other hand, I believe that it is vitally important to keep the "pools" separate between small business and individuals. We have heard time and again from the insurers that the individuals tend to fall into a higher risk category and I would hate to see the small businesses suffer from that by receiving higher pricing. I also think the needs of these two groups are different enough that they each deserve their own exchange.

I believe that the small business exchange must contain a broad variety of plans to account for the many different needs that people have for their health insurance. Certainly, we have found that by offering a variety of types of plans (HMO, EPO, PPO, HDHP) in a variety of price ranges that we almost always have a plan that will work for our local small businesses. The Chambers can be a great conduit to the business community when deciding what types of plans to offer.

Finally, I encourage this group to look closely at the Chamber of Commerce model when they look at exchanges. Certainly if you want to reach out to small businesses across the State you can find no better partner than the local Chambers of Commerce. Our members, local businesses and the community already trust us with their health insurance needs. We already have comparison forms and still find that people want the personal touch to get their questions answered. By working with Chambers you have access to tens of thousands of small businesses across the State and the Chambers already carry a strong brand of helping small business with their insurance needs.

Thank you for the opportunity to testify today and I look forward to answering any questions you may have now or in the future.