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State Insurance Department Forum on Health Exchanges  
Monroe Community College  
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**Good afternoon, and thank you for the opportunity to speak before you and offer input on the state's plan to develop health exchanges. As the president and CEO of the regional chamber of commerce, I can tell you that health care and health care reform are issues of great interest to our members, largely because of the impact they have on the economy and on business growth.**

**Each year, the Rochester Business Alliance asks its members to define the key issues affecting their businesses' futures. And each year, our members cite the same top concern: the rising cost of providing health care to their employees. To address those concerns, we instituted the RBA Health Care Initiative, which regularly brings together a broad cross-section of stakeholders who work together on projects that will improve access to care while maintaining quality and lowering costs.**

**Through our work on health care, I know that there is a great deal of uncertainty about funding for health care reform, particularly around the health exchanges, which New York would have to self fund by 2016. There is even debate over whether the law itself is constitutional.**

**I know this body is seeking answers to many questions on such things as cost, organizational structure, plan offerings and marketing. But with so much still undecided and likely to change, it would make the most sense for New York to wade carefully and thoughtfully into health care reform.**

**For now, I think it best that this group focus only on the essential steps to ensure continued federal funding, which basically comes down to establishing a governing structure for the exchanges. So I will focus my comments on that.**

**The first question seems to be whether to set up the exchanges under a public authority, a state agency, or a nonprofit organization. We would advocate for a form of public authority, one that is connected enough with government to assure that functions would not be duplicated, but one that also maintains enough autonomy to do the job right, free of political pressure.**

**We believe that the governing structure should create separate divisions within the exchange – one for small groups and another for individuals and government programs. In New York, the small group market is particularly sensitive to affordability and product flexibility, so it makes sense to keep this a separate group.**

**We also strongly believe that there needs to be significant input from regional advisory boards as a way to address the diverse needs, populations and economies of New York state.**

**When it comes to health care, there is a world of difference between Upstate New York and the New York City area, including health care needs, how care is delivered and how it is paid for. So a one-size-fits-all approach would likely be harmful to the Upstate's residents and employers. Regional advisory boards would be able to highlight and address specific local needs, which is essential to effective delivery of health care.**

**Finally, we suggest that actuarial reviews be done to assess the impact upon premiums of other key components of the plan, including merging the exchanges, determining the size of a "small group," risk adjustment and adverse selection. We would suggest such reviews be conducted this year, in preparation for actions to be taken in 2012.**

**Again, thank you for the opportunity to speak to you about this important issue. We at the Rochester Business Alliance look forward to continuing to engage with you as this process progresses to ensure that the final result is something that will benefit our entire community, as well as the rest of New York state.**