

## **HEALTH REFORM AT A GLANCE: THE HEALTH INSURANCE EXCHANGE**

This discussion draft will reform the insurance marketplace to ensure that everyone can purchase quality, affordable health insurance coverage. A critical piece is a new Health Insurance Exchange (Exchange) that would lay out choices for individuals and businesses to allow them to comparison shop for coverage. This Exchange will revolutionize health care choices and will help reduce the growth in health care spending by encouraging competition on price and quality, not benefit manipulation or efforts to exclude needy patients. Recognizing that many businesses want to continue providing their own health coverage as they do today, business participation in the Exchange is simply a new option for those that are eligible – no business is required to enter.

### **Health Insurance Exchange Provisions in the Discussion Draft:**

#### **Ability to Comparison Shop**

- Give people the ability to choose from a variety of plans — including a new public health insurance option — in the Exchange.
- Provide standardized benefit packages so that people will be able to comparison shop and make informed choices based on cost and quality.

#### **Affordability (see separate fact sheet “Making Coverage Affordable” for details)**

- Ensure that health care is accessible even to low and moderate-income individuals and families. New affordability credits will be available for people purchasing through the Health Insurance Exchange. They will reduce as income rises, with a complete phase-out at 400% of the federal poverty level.
- Includes a cap on premiums as well as out-of-pocket spending. Regardless of income, every plan will have an annual cap on out-of-pocket expenses so no family will again face bankruptcy due to medical expenses.

#### **Transparency**

- Bring transparency to the health care marketplace, so that families know what benefits their plan covers and what it will cost them.
- Require plans to explain their coverage in plain language, so that consumers can make informed choices about their medical care.

#### **Standardized Benefits (see separate fact sheet “Benefits” for details)**

- Allow consumers to choose coverage among several standard benefit packages.
- Provide comprehensive health care services with different levels of cost sharing.
- Include a Premium Plus plan through which people will have options to purchase coverage for additional health care benefits that are not included in the core benefit standards.

#### **Impact on Small Businesses**

- Open Health Insurance Exchange to small employers first and to larger employers over time.
- Offer opportunity to small employers through the Exchange to provide their employees

**6/18/2009 3:52AM**

with broad choices for coverage and to be able to eliminate the administrative costs of maintaining their own health plan contracts.