

**Written Statement**

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**Before the**

**Committee on Finance**

**United States Senate**

**Health Insurance Exchanges: Progress Report**

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Mr. Chairman, Senator Hatch, and distinguished Members of the Committee:

Thank you for the opportunity to speak before you today to share my perspective as the Director of Rhode Island's state-based Health Benefits Exchange under the Affordable Care Act.

On September 19, 2011, Governor Lincoln Chafee issued an Executive Order that created the Rhode Island Health Benefits Exchange within our executive branch. The Exchange is guided by a 13-member Advisory Board, which has overseen Exchange planning and development efforts. In June 2012, I was appointed by the Governor to be the Exchange Director.

Since then, Rhode Island has continued to make progress in all areas of Exchange benchmarks including: financial planning and sustainability, development of a consumer support strategy and procurement of a technology infrastructure system. These accomplishments have grown out of a rigorous interagency and stakeholder process that will continue to support the development and implementation of Rhode Island's Exchange.

Our Exchange will serve two important purposes. First, it will provide a robust marketplace for all Rhode Islanders to identify health insurance coverage options and, for those eligible, to purchase coverage. Second, the Exchange will negotiate for high-quality affordable insurance options on behalf of small employers and individuals.

Our Exchange stands on Rhode Island's strong history of health care advances and the support that we have received from our Congressional Delegation. First, I would like to thank Senators Jack Reed

and Sheldon Whitehouse for the tremendous investment of their time and energy in ensuring that Rhode Island is ready to implement the Affordable Care Act. And we also thank Congressmen James Langevin and David Cicilline for their unwavering support for Rhode Island health care reform efforts.

Rhode Island Lt. Governor Elizabeth Roberts, Chair of the state's Health Care Reform Commission, has diligently coordinated all of the early work of our Exchange, and her office continues to lead on broad health reform efforts.

Our Exchange rests on decades of investment in Rhode Island's health care infrastructure. For example, we are building on our very successful Rite Care Medicaid program, implemented by both our Medicaid Department and our Department of Human Services, under the coordination of the Office of Health and Human Services. Secretary Steven Costantino and DHS Director Sandra Powell and Medicaid Director Elena Nicoletta are all key partners in our shared effort.

The Rhode Island Quality Institute, founded by Senator Whitehouse in 2001, is a non-profit collaboration of Rhode Island health leaders using health information technology to transform and improve the quality of healthcare in Rhode Island.

The Rhode Island Chronic Care Sustainability Initiative (CSI), launched in 2008 by Health Insurance Commissioner Christopher Koller, promotes the patient-centered medical home model for chronically ill patients – and has developed one of the nation's first predominantly all-payer demonstrations of the medical home model of primary care.

And therefore, when our Exchange Advisory Board came together in 2011 to create our vision, mission and principles, which I've attached, they were building on a strong history of collaborative work and commitment to Rhode Islanders' health.

Our Exchange vision is to support health reform efforts at the state and national level that promote Rhode Islanders' well-being and provide increased access to high quality, coordinated care at a reasonable, predictable cost. Our mission is to serve as a robust resource for Rhode Islanders and Rhode Island businesses to learn about and easily compare the quality and affordability of their health insurance options, enroll in coverage and, if eligible, access the federal tax credit for coverage.

We are carrying out our work under five guiding goals. In Rhode Island, we will:

- Improve the health of Rhode Islanders
- Achieve near universal coverage
- Favorably impact health insurance cost trends
- Favorably impact health care delivery system effectiveness and efficiency
- Add value to employer health insurance purchasing.

Why did we decide to create a state-based exchange? As we collected input from stakeholders, we heard again and again that high costs and unpredictable annual increases have made health

insurance coverage unsustainable for most employers and out of reach for many individuals – from entrepreneurs taking the plunge into new ventures to those who are working multiple jobs. We want to build an Exchange by Rhode Islanders, for Rhode Islanders – one that benefits from and contributes to the work of other states but is created to meet Rhode Islanders’ needs.

The Affordable Care Act provides us with tools to take advantage of Rhode Island’s historic health care achievements, the strong relationships between our partners throughout our state, and our Advisory Board’s carefully created vision by building a solution that will work for us. Rhode Island leaders felt that a state-based exchange was the best choice for us to carry out these dual goals.

As I noted above, the Exchange will play two key roles – first, as a comprehensive marketplace for all Rhode Islanders to identify health insurance coverage options and, for those eligible, to purchase coverage – and second, as a negotiator for high-quality affordable insurance options on behalf of individuals and small businesses.

By purchasing for so many Rhode Islanders together, the Exchange will give new power to small employers and individuals in the health insurance marketplace, transparently negotiating with health insurance carriers on their behalf.

To ensure that small employers and individuals are receiving quality coverage, we will provide them with access to new types of quality data which are typically only available to larger employers. Our Exchange customers can use this data to make decisions about their health care purchases. And on a state-wide basis, that information can be equally important as we look at broader health system issues.

The work we are doing to create our Exchange is complicated and the timeline is pressing. My very talented team is working as hard as they have ever worked – days, nights, and weekends – to get this done by the October 1 deadline. We are confident that we will meet this goal, and we are very pleased with the help provided to us throughout the process by the US Department of Health and Human Services and CCIIO.

In closing, Rhode Island has worked hard to overcome its economic challenges. Throughout these difficulties, Rhode Island has retained our tremendous medical talent, with world-class universities and nationally recognized, innovative providers and leaders. Our Exchange can help catalyze the necessary changes in our delivery system and our insurance markets to increase quality and transparency, support innovations that will keep Rhode Islanders healthy and more productive and keep costs down. The Exchange also has the potential to improve the business climate in Rhode Island as we all work together to harness its possibilities.

We are grateful for this opportunity to highlight our opportunities – and I thank you once again for inviting me to share this information with you today.