

Health exchange awaits Senate

Senate skirts deadline for federal aid to set up program, some work delayed until later

By CATHLEEN F. CROWLEY Staff writer – Albany Times Union
Published 12:21 a.m., Friday, June 24, 2011

ALBANY -- State leaders struck a compromise on a health exchange that will serve as a marketplace for individuals and small-business employees to find insurance.

It is uncertain if the Senate will consider the bill due to its full docket Thursday evening.

The Assembly approved the bill earlier Thursday to create a health exchange combining aspects of two proposals offered by the state Senate and Gov. [Andrew Cuomo](#)'s office. Health exchanges are being created across the nation as part of the health reform law approved by Congress last year.

With the legislative session drawing to a close, state leaders were under pressure to create an exchange before leaving Albany for the summer. Without it, New York would miss federal deadlines to qualify for up to \$100 million to set up the exchange.

"I think we have a good structure for moving forward," said Sen. [Kemp Hannon](#), R-Long Island, the [Senate Health Committee](#) chairman.

The bill puts off major policy decisions, including whether the exchange will actively purchase and negotiate benefits for consumers and whether public health programs like Medicaid will be part of the exchange.

Under the bill, the exchange will:

Be a public benefit corporation with nine voting directors including the state health commissioner and superintendent of insurance. Seven directors will be appointed by the governor and two by the Legislature.

Be subject to the laws governing state officers and workers, and each director will "serve the public interest of the individuals and small businesses seeking [health care](#) coverage through the exchange."

Not have active purchasing authority, but the issue will be studied and considered.

Assign ratings to qualified health plans offered through the exchange.

Create a website where consumers can compare insurance plans.

Qualify or disqualify plans, but it does not have regulatory powers over insurers.

Create regional advisory boards.

"It's an incredible first step. We are delighted they have a deal," said [Elisabeth Benjamin](#), from Health Care for [All New York and Community Service Society of New York](#).

Leslie Moran from The [New York Health Plan Association](#), which represents insurance companies, said, "We are still a little concerned that it establishes a third regulatory body ... but the powers have been scaled back" compared to Cuomo's original proposal.

Some advocacy groups are worried the bill doesn't explicitly prevent insurance company representatives from sitting on the panel, and others are disappointed Cuomo's "active purchasing" was not included.

"The Legislature really left most of the critical decisions to later," said [Jessica Wisneski](#), legislative director of Citizen Action.