



NEW YORK STATE SENATOR

James L. Seward

## Insurance Exchange Legislation Establishes Blueprint For Future Of Health Insurance In New York

JAMES L. SEWARD June 9, 2011

| ISSUE: **ECONOMIC DEVELOPMENT, HEALTH, INSURANCE, FEDERAL PROGRAMS**



ALBANY, 06/09/11 – Chair of the Senate Standing Committee on Insurance Senator James L. Seward (R/C/I, Oneonta) and Chair of the Senate Standing Committee on Health Senator Kemp Hannon (R/C/I, Garden City) joined today to announce legislation ([S.5652](#)) has been filed in the senate that will establish a blueprint for the development and implementation of the Health Insurance Exchange in New York State, mandated by the federal Affordable Care

Act (ACA).

**“The legislation is a first step in advancing a health insurance exchange that will ensure affordable and accessible coverage that meets the unique insurance needs of all New Yorkers,”** said Senator Seward. **“The bill establishes a solid foundation, adhering to all of the necessary requirements to receive federal funding, as we continue to craft the final details of a state exchange.”**

“It’s crucial that we establish the most cost-effective governance and implementation process for the Health Insurance Exchange while also meeting the diverse needs of eligible New Yorkers,” said Senator Hannon. “This legislation sets up the governing structure and basic functions that are required in order for the Exchange to begin to function, while providing for a transparent process and careful consideration of policy choices.”

Specifically the legislation ([S.5652](#)) would:

- Establish the New York Health Benefit Exchange as a new public authority with an 11 member governing board of directors;
- Establish regional advisory committees across the state to provide expertise and recommendations;
- Ensure that no general fund monies will be used to finance the exchange;
- Provides that the exchange will not supersede the authority of either the superintendent of the Department of Financial Services or the Commissioner of Health;
- Requires the exchange to study various policy issues and submit a report to the legislature by December 31, 2011.

The senate legislation was developed following a public roundtable eliciting testimony from a vast array of health and insurance experts from across the state. Video of the roundtable sponsored by Senator Hannon and Senator Seward can be viewed at [www.nysenate.gov](http://www.nysenate.gov) by following the [health committee](#) and [insurance committee](#) links.

**“The guidelines allow New York to control its own health insurance destiny, preserving employer-sponsored coverage, ensuring health insurance brokers and business groups are involved in the process and, ultimately, providing consumers with quality coverage options,”** Seward concluded.

It is up to each state to determine how the exchange will be governed and where it will be housed, e.g., in a state agency, non-profit organization or quasi-governmental entity. Initial legislative action in each state regarding the structure of the Health Insurance Exchange chosen must take place during the 2011 calendar year. This will consist of enabling language which must be passed by the legislature. Per the Affordable Care Act (ACA), the federal government will determine by January 1, 2013 if a state is qualified to run a Health Insurance Exchange.