

## **Health Care Market in Planning Stages in Pennsylvania**

Some Pennsylvania consumers could select their health insurance cafeteria style under plans being developed by the state Insurance Department that will implement a portion of the federal health care reform act. The March, 2010 federal law left the development of a key portion of the act, health care 'exchanges', to the states. Each state recently received \$1 million from Washington to develop the exchanges.

"In simplest terms, the exchanges will be online marketplaces for consumers to choose a health insurance plan," said Cindy Fillman, Director of the Office of Consumer Liaison for the Insurance Department. "Beyond that, we are too early in the development plan to describe exactly how it will work."

Fillman added that the exchanges could range in style and setup to one in Utah, which she describes as a "shoppers guide", to one in Massachusetts, HealthConnector. Both states established the exchanges prior to the signing of the federal law.

"The Massachusetts exchange works more like a brokerage house," Fillman said. "It quotes prices, even selects plans for people."

A state agency administers the Massachusetts plan. The Pennsylvania Insurance Department is looking at three administrative options: a state agency, a public-private partnership, or an independent authority. If the Department selects no plan, the U.S. Department of Health and Human Services (HHS) oversees implementation.

"That's the least desirable and least likely option," Fillman said.

The Department can't move forward with its plan to implement the exchange until it receives guidelines from HHS regarding the minimum level of benefits allowed in any plan offered on the exchange. They expect those guidelines sometime in November