

WHY PENNSYLVANIA NEEDS A HEALTH INSURANCE EXCHANGE

The Patient Protection and Affordable Care Act calls for the creation of a competitive health insurance marketplace called an “exchange” in every state by 2014. This new marketplace will be good for working families, good for small business and good for Pennsylvania. Here’s why:

+ COMPETITION

An exchange will make our insurance market more competitive. The exchange will force insurers to compete for customers based on value, instead of luring them in with the trickiest fine print and will allow individuals and small businesses to make apples-to-apples comparisons when they shop for health plans. On this level playing field, quality insurers of all sizes—not just the largest and most powerful—will be able to compete.

+ TRANSPARENCY

Insurers in the exchange will have to use easy-to-understand language to describe their plans—a vast improvement over the confusing jargon they use now. And insurers will be required to share information about plan costs and quality in a standardized way so that we, as people purchasing insurance, can truly understand what we’re getting.

+ AFFORDABILITY

In the exchange, working and middle-class families (those who earn up to nearly \$90,000 for a family of four in 2011) will be eligible for tax credits to help make coverage affordable. Many people will also receive help with co-payments, deductibles, and other cost-sharing, protecting families from financial ruin. And the exchange will monitor insurers to make sure that they aren’t unreasonably increasing their premium rates from year to year.

+ ACCOUNTABILITY

In the exchange, everyone will gain important protections against insurer abuses. Marketing standards will prohibit unethical advertising. Provider network standards will ensure that every health plan has enough doctors. And premium reviews will make sure that plans aren’t unjustly raising rates.

+ QUALITY

Quality and customer satisfaction ratings for all health plans in the exchange will be posted online, helping folks make an informed decision when choosing a plan. And exchange plans will be required to meet quality standards and implement quality improvement strategies so that we can be confident that we’re getting a good product.

In order for Pennsylvanians to benefit from an exchange for quality, affordable coverage by 2014, Pennsylvania must move forward now to plan and implement an exchange. We can design our own exchange, create a regional exchange with other states, or have the federal government set up our exchange. For any of these options, by planning now, Pennsylvania can customize the exchange to best meet the unique needs of our residents and small businesses.