

The Salt Lake Tribune

Purchase health insurance online next month

By kirsten stewart

The Salt Lake Tribune

August 31, 2010 10:45AM

Utah's decades-long health reform effort marks a milestone this week with the full launch of a website where businesses and individuals can compare and buy health insurance.

Whether the bargains found at Exchange.utah.gov will compare to the deals travelers snap up at Priceline and Travelocity remains to be seen. In its limited test-run last year, the Utah Health Exchange was plagued by high prices and low enrollment.

But "we've learned a lot and made a lot of improvements," said Matt Spencer, newly hired to steer the state-run virtual marketplace through its debut and the unknowns of federal health reform.

State insurance markets, or exchanges, are the cornerstone of the federal Affordable Care Act. Rules governing their design are still being written, but Utah has emerged as a national leader — as one of only two states with exchanges already in operation.

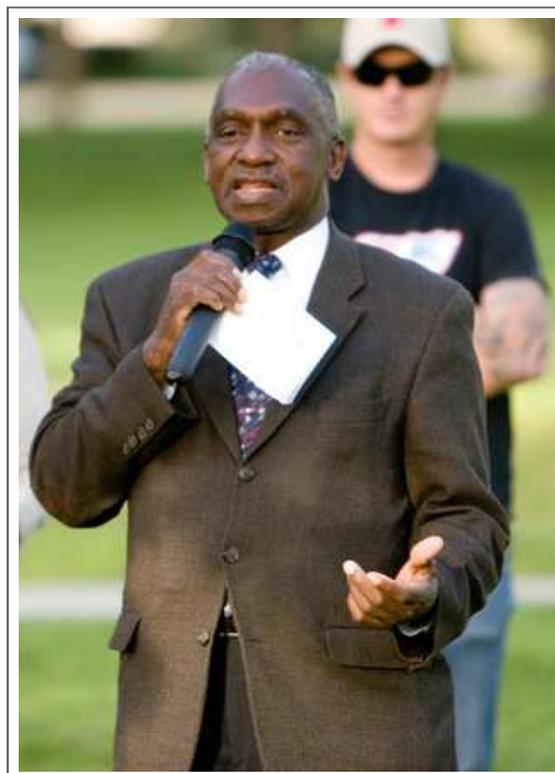
The federal health fix takes a cue from the Massachusetts model, and Utah's exchange needs tweaking before meeting those standards.

But states have two years to get there, and "a lot of the improvements we've made lay the foundation," said Spencer, citing a consumer hot line and search function to aid comparing plans.

Like it or not, federal health reform is the law of the land, the governor's health adviser John T. Nielsen told members of a legislative task force in mid-August. "We want to make certain that come 2013, Utah is in substantial compliance so we don't have imposed on us a federal solution," he said.

Utah has applied for a federal "exchange planning grant" to help meet the national requirements.

State officials are also drafting recommendations spotlighting flaws in the new reform law, which they'll submit to federal regulators in October, said Nielsen. "Our plea has consistently been to give us as much flexibility as you can."



Jeremy Harmon | The Salt Lake Tribune France Davis speaks during a memorial and commemorative march at Liberty Park on Saturday, August 28, 2010. The event, held on the anniversary of Dr. Martin Luther King, Jr.'s "I Have A Dream" speech, paid tribute to Ted Fields, Jr. and David Martin III, who were killed at the park in 1980 by a racist serial-killer.

One concern is the basic benefits package that will be mandated for all policies sold on the exchange. It currently requires maternity coverage, for example.

“I’m in my 60s and don’t need a maternity benefit. I ought not be forced to buy one,” said Nielsen.

But topping the list of “things we want to preserve,” said Nielsen, is the exchange’s defined contributions, the deposits that small businesses make to help employees buy policies. Workers then couple that amount with other funding, such as a contribution from a spouse’s employer, and the insurance they purchase is portable.

If federal officials reject Utah’s pleas, the state could build a separate health exchange to run parallel to the existing one, said House Speaker Dave Clark, R-Santa Clara.

Doing so could defeat the whole purpose, said Lincoln Nehring, a policy analyst at the Utah Health Policy Project. “The idea of an exchange is to pool people to dilute risk and costs,” he said. “When you shrink pools, and you do that by having multiple exchanges, they don’t work as efficiently as they should.”

Discrepancies in pricing was a problem for Utah’s exchange during its limited launch. Policies were many times more expensive inside the exchange than what some employers were already paying.

But lawmakers devised a risk pooling tool to fix that, and with federal complications still years away, Spencer is optimistic about the Sept. 1 launch.

More than 660 employers have expressed an interest in joining, he said. Employers can sign up from Sept. 1 to 15. Then, in early November, their workers will be able to log on with a PIN and pick the plan they like best. Coverage will start Jan. 1, 2011.

“We have four insurance carriers with about 60 plans for consumers to choose from,” said Spencer. “We’ve increased the number of high deductible plans and will offer fewer rich plans based on consumer feedback.”

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About the Utah Health Exchange

The exchange is a state-run website for comparing and buying health insurance. After a limited launch last year, the full site will go live Wednesday. Exchange.utah.gov promises better pricing by pooling risk, greater transparency and portability.

How it works

Small businesses with between 2 to 50 employees are eligible. The company must be headquartered in Utah with buy-in from 75 percent of its employees.

Employers will make deposits — called defined contributions — into an account. Workers can couple that amount with other funds, such as a contribution from a spouse’s employer.

Utahns who pay for insurance on their own can also use the site to research coverage options.

New and improved

An online call center will provide customer support 24 hours a day, seven days a week.

An enhanced web search function will allow consumers to look for plans that their doctor or hospital accepts.

A “paycheck optimizer” tool will show how much coverage will cost, including co-payments and deductibles.

Large employer groups will join in 2011.

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