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New health exchange opens array of options

by Becky Ginos

08.25.09 - 05:45 pm



SALT LAKE CITY — As the debate rages on about health care reform at the national level, Utah took its first step toward change last Wednesday at the Capitol. Gov. Gary Herbert officially opened the Utah Health Exchange, which is a state-run website that will offer health insurance options for small businesses and employees.

“I think this is a great opportunity,” said Rep. Roger Barrus, R-Centerville, who served on the legislative health task force last year. “I’m excited. This gives us an open market and transparency of the market. Employees and employers can go online and shop. It should give insurance providers incentive to provide better products.”

The new “portal” will allow employers who participate to contribute a stipend to their employees for health care who can in turn go online to shop for the best health insurance plans for their needs.

“When this finally matures (the exchange) it will show different services of hospitals and doctors,” said Barrus. “It will even measure quality of care through surveys. Then a patient can say, ‘I need a knee replacement,’ and he can look at ratings and choose the best place.”

Not all groups believe the exchange is the answer, however. “We view this as an important building block to build upon,” said Utah Health Policy Project (UHPP) Community Engagement Director, Jessica Kendrick. “This is not the be all, end all solution. But it sets the stage for small businesses.”

Kendrick describes the exchange as sort of a Travelocity of health insurance. “It’s kind of a one-stop-shop market place,” she said. “But small businesses are still rated as a small group so it doesn’t spread the risk around or the cost.”

The UHPP would like to see the risk spread across all participants to help remove some of the burden faced by small businesses. Kendrick said employer contributions should be defined too. “Costs could go up and the employee could pay more and more while the employer’s stipend stays the same.”

But Barrus believes the exchange provides a way for employers to have options that work.

“If used properly, it will be transparent enough that employers can see what they’re paying (in commissions, etc.) for health insurance,” he said. “It depends on how you look at it. Employers could say they don’t want to provide a health care package but will help pay on the cost. Then employees can choose for themselves. If an employee changes jobs, he can take the insurance with him — it’s portable.”

Within the exchange, employers deposit an amount into a health care savings account for employees, then the employees can take that amount along with any other funds they have and choose a plan. In November, those workers participating can access the website using a PIN and study available plans. Coverage begins Jan. 1. Those Utahns who currently pay for their own insurance will also have access to the new website.

“This is a worthwhile experiment,” said Chris Dallin, with Intermountain McKay-Dee Hospital. “It has merit. It’s a good opportunity where businesses can pool their money to maximize their health benefits. It’s interesting when implementing a new program, it’s hard to see every by-product. I think we’ll have to wait and see (how this works).”

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