

Testimony

House Health Policy Committee

January 19, 2012

RE: Establishment of Michigan Health Insurance Exchange

Good morning,

I am Ruth Linnemann, Advocacy and Programs Director for the National Multiple Sclerosis Society, Michigan Chapter. Thank you Chairman Haines and committee members for the opportunity to describe why consumers with disabilities need a health insurance exchange in Michigan.

Every Michigan citizen will access the healthcare system at one point in their lives, many of them through the health insurance exchange. People with multiple sclerosis and other disabilities are acutely in need of an exchange.

MS, an erratic and at times disabling disease can result in many years in which the disease makes it very difficult or impossible for a person to maintain a full time job with health care benefits. Yet during those years, the worker is not disabled enough to qualify for disability. Individual insurance is almost the only source of insurance for those persons unless their spouse's employment offers family coverage. A health insurance exchange will expand the number of individual insurance options available.

The exchange will make it possible for consumers to choose the combination of coverage, deductibles, co-pays, and premiums best suited to their situation. This is particularly important for people with MS. Some have up to a dozen different prescriptions so low co-pays are important; others need on-going physical therapy, or coverage of mobility aides or other medical equipment. Choice

offered in an exchange will allow individuals to make carefully selected health care expenditures that best fulfill their medical needs.

An internet based exchange will be accessible from anywhere. A person without private or accessible public transportation or a person living in a very rural community will have equal access to the same information and choices.

More importantly for people with disabilities, a state exchange is required for Michigan citizens to access federal assistance to make health insurance premiums affordable. In light of the high cost of individual insurance policies, premium assistance is important to make health insurance accessible for anyone who struggles with the physical challenges caused by MS or other serious disease or health conditions. Our members report unaffordable insurance premiums and inadequate or the complete lack of insurance results in unpaid medical bills, disease progression after going without medical treatment, even bankruptcy - all this after working for over 20 years.

We know there will definitely be technology costs associated with establishing and operating an exchange. The state has the opportunity to use federal dollars to create an exchange best suited to the needs of Michigan citizens. We urge the legislature to authorize an exchange so the state can access 68 million federal dollars to develop the exchange infrastructure.

By all accounts, it will take 12-18 months to design an exchange that meets the needs of our citizens. There is no sensible reason to delay the development of the exchange. The time lost now will be detrimental in the development of a quality exchange. By acting decisively, Michigan will be able to secure the best people to research, design and coordinate the development of our exchange. By delaying

action, the best firms will be hired by other states or worse yet; the state we will not achieve HHS certification in time to avoid a federal take-over.

Michigan's healthcare needs and the Michigan healthcare market are different than any other state. If the federal government takes over the development of our exchange, we lose the ability to design what is best for Michigan. A one-size fit-all model will not be in the best interest for the consumers in this state. Michigan is unique and we should do our best to design an exchange that addresses Michigan's needs.

A Michigan health insurance exchange has the potential to affect every citizen in Michigan. Access to adequate health insurance can make or break the lives of persons with multiple sclerosis and other disabilities who manage life with an incurable disease. It is time to provide more and better health insurance options by moving forward with the development of a Michigan health insurance exchange.

Thank you. I would be happy to respond to any questions.

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