



ILLINOIS ACADEMY OF
FAMILY PHYSICIANS

MEMORANDUM

FROM: Illinois Academy of Family Physicians (IAFP)
TO: IL Health Benefits Exchange Legislative Study Committee
RE: Comments to Report: Findings of the Illinois Legislative Health Insurance Exchange Commission as required by SB1555
DATE: October 5, 2011

The Illinois Academy of Family Physicians (IAFP) commends the legislators, consultants, agencies, and staff involved in producing the *Findings of the Illinois Legislative Health Insurance Exchange Commission as required by SB1555*. We appreciate recognition of our written testimony, submitted on August 30th, in the report's Addendum.

The comments below are confined to areas of the report of particular importance to family physicians in their efforts to play a critical and **supportive** role in the implementation of a health insurance exchange. Specifically, governance, financing, and one of the outlined goals (#7).

Governance (page 10)

Although we are encouraged by the example of Board composition, we believe that at least one seat for consumers and at least one for primary care physicians, in at least equal proportion to the total number of seats allotted to insurers, health systems and other stakeholders would be most appropriate. Physicians should not be among the entities that are identified as having a potential conflict of interest. The intent of the conflict of interest standard is to ensure that the membership of the governing board appropriately represents consumer interests. Unless a physician is directly affiliated with or represents a particular health plan, the physician would not pose a conflict of interest and would offer a unique and important perspective to exchange governance.

Financing (pages 15-16)

Budget-strapped states, such as Illinois, will want to optimize the flow of federal funds coming into the state. We agree with the HMA/Wakely report that the state should leverage its Medicaid program to finance the Exchange administration— so by including Medicaid plans and providers, the state would be bringing in more federal dollars to support the Health Benefits Exchange. We do not believe that levying an assessment on providers is a viable option in Illinois; where Medicaid provider rates are lower than most.

Goal #7 (page 9)

As stated: The authorizing legislation to create an Exchange in Illinois
“should not require the Exchange to certify all plans meeting federal requirements.”

We want the exchange to have the mandate and the power to ensure that consumers get the best possible rates for good insurance. Period. Illinois should have the power to expand the requirements for plans participating in the Exchange beyond the minimum federal requirements. In other words, even if a plan meets federal requirements, the plan must also meet Illinois-specific requirements that account for the unique needs of Illinois consumers.

We appreciate the opportunity to provide these comments and make ourselves available for any questions you might have or clarifications you might need. For more information on the value of primary care, please visit our website www.iafp.com or contact: Gordana Krkic, CAE, Deputy Executive Vice President of External Affairs, at 630-427-8007.