



TESTIMONY: SENATE BUDGET & TAXATION COMMITTEE
Maryland Health Benefit Exchange
26 January 2011

The *Maryland Women's Coalition for Health Care Reform*, a nonpartisan, statewide alliance of individuals and 62 organizations, works to advance the goal of comprehensive, affordable, accessible health care for *all* Maryland residents. The Coalition is testifying in regard to **appropriations for Maryland's Health Benefit Exchange**. This new insurance "marketplace," if appropriately established and its operations fully funded, holds the promise of transforming Maryland's health care landscape. It will provide easy-to-use resources to help individuals and small businesses gain access to insurance programs and tax credits, and ultimately it will be an effective tool to drive down health care costs.

To do that, its resources must be used wisely and in a manner that **creates long-term sustainability with a thoughtful allocation of funds**. The Coalition wishes to bring to the committee's attention an area of concern in which it has particular expertise: the required IT eligibility and enrollment infrastructure. Specifically, we wish to address the proposal to use the IT resources of the Third Party Administrators (TPA) for the small business exchange (SHOP).

Our recommendation is based upon a years-long study of the state's IT infrastructure for public health programs, a thorough analysis of the Exchange Board's RFP for the IT, and discussions with those directly involved in IT policy decisions both in Maryland and nationally. Issues that we suggest the Committee consider as regards the use of the private-sector TPA system for components of the state's SHOP IT system include concerns about the: consumer experience; collection of required and essential data; and the loss of efficiencies of scale that such an approach would promote. In addition to these, and of more direct concern to this Committee, are **three issues with fiscal implications**:

- The ACA requires states to implement a seamless eligibility process with a "no wrong door" approach. The use of different IT components for the SHOP and individual exchange will present challenges in meeting this goal.
- Higher maintenance costs will be required if separate IT systems, rather than a single platform, is adopted.
- Should the state determine that it is necessary to integrate the SHOP with the individual exchange in the future to address the issues raised above, as the Coalition believes will be required, this will have to be done without the 90:10 federal funds match available today.

The Coalition appreciates the Committee's consideration of these issues and encourages it to consider that short-term financial "fixes" are not necessarily in the best interests of a long-term solution. Therefore, we hope you will ensure that funding for the individual and SHOP exchanges supports the goal of a single, fully integrated and interoperable IT system. In that regard, we would be pleased to provide further information and resources to the Committee. Thank you for your time in considering this issue.