



ACADEMIC MEDICAL PROFESSIONALS  
INSURANCE EXCHANGE RISK RETENTION GROUP  
1250 Broadway, Suite 3401  
New York, NY 10001

[www.academicins.com](http://www.academicins.com)

AHPIA Solutions, Inc.  
Attorney-in-Fact

Tel: 646 808 0600  
Fax: 646 808 0601

## **Report: Market should rule NY exchange**

<http://www.crainsnewyork.com/article/20110420/PULSE/110419841>

New York should create a market-based health insurance exchange, according to a study by the Manhattan Institute's Center for Medical Progress. If legislators do not take such an approach and allow a variety of affordable plans into the exchange, the report said, "budget-conscious consumers will have a significant incentive to opt out of coverage and pay the penalty" for noncompliance with the federal law's individual mandate provision.

The report isn't likely to get a favorable reception from insurance regulators. It blasts the state's community-rating law, which it said "has nearly destroyed the individual market and left the small-group market more expensive." Community rating requires insurers to offer all applicants, regardless of age or health status, the same premiums. "Such heavy regulation has led to very expensive coverage, forcing healthy individuals to drop health care," said Paul Howard, the center's director.

Mr. Howard thinks New York should create a health exchange that acts as a clearinghouse where consumers can compare a range of competitive plans. He also wants the state to allow health savings accounts tied to high-deductible plans. To chip away at community rating, he suggests making policies more affordable for younger, healthier applicants by allowing a 3-1 age-rating band. And to remove politics from the exchange, Mr. Howard said, it needs to function as an independent electronic clearinghouse rather than be part of the insurance or health departments.

"Building a Market-Based Health-Insurance Exchange in New York" is at  
<http://www.manhattaninstitute.org>.