

# A Consumer Checklist for Creating a Health Insurance Connector

## What is a Connector?

Recently, there has been much attention paid to the idea of a “Connector” or “Exchange” as a means of health care reform. Popular belief holds that a state can greatly increase access to affordable health care for all with the creation of a Connector. But, a Connector is only a shell—without certain external health insurance reforms and internal elements, the Connector alone will likely fail. While a Connector can improve the functioning of the health insurance market in a state, it needs to work within a certain climate.

## Key health insurance environment for a Connector (External)

To be successful, a Connector should work in concert with other three other reforms:

- **Strong base of public insurance:** Medicaid and SCHIP (State Children’s Health Insurance) have very low premiums, limited cost sharing and comprehensive benefits that serve low-income populations better than private insurance plans.
- **Insurance must be accessible for all:** Guaranteed issue ensures that the Connector allows access to insurance for all.
- **Limit premium variation:** Community rating (or modified community rating) can ensure that the Connector does not become a place only for the sick.

## Key elements of a Connector (Internal)

A Connector may have a number of parts that contribute to the accessibility of health insurance. However, these three components are critical:

- **Standardized plans:** The Connector can set minimum standards of benefits and limited cost sharing to ensure quality and ease of comparability between plans.
- **Subsidized insurance:** Subsidies enable a Connector to make plans affordable, reduce the number of uninsured, and enroll enough people to negotiate with insurers.
- **Outreach and enrollment support:** The Connector can provide assistance with enrollment, necessary to inform people about the Connector and increase enrollment.

## WITH these elements, a Connector can:

- Ease comparisons between different health insurance options
- Increase choices available to individuals or employees in small groups
- Allow multiple employers to contribute to an employee’s insurance
- Provide subsidies to make insurance more affordable
- Permit purchase of insurance with pre-tax dollars for people without access to employer-sponsored insurance