

## **OREGON HEALTH POLICY BOARD MEETING**

**February 9, 2010**

**Comments by**

**Joe B. Zaerr**

**The Archimedes Movement**

Chair Parsons and members of the Oregon Health Policy Board

My name is Joe Zaerr and I represent the Archimedes Movement. The basic value held by the Archimedes Movement is expressed best in the TRIPLE AIM, a concept with which you are familiar. We judge actions you and others may take against that standard. Whether or not the insurance exchange takes us toward the goal of the triple aim depends upon how the exchange is crafted and set into place. We have confidence that you and the staff which supports the Health Policy Board are quite capable of creating an exchange which can indeed take Oregon closer toward the triple aim. You have heard today some good guidelines and suggestions for setting you on your way. But we have two concerns which might easily be overlooked.

The first is the PUBLIC OPTION, or the public insurance plan, which you will be considering in the near future, and which will presumably operate within the insurance exchange. If the public option is to survive, it must reside in a favorable environment within the exchange. We therefore encourage you to consider the requirements for a successful public option as you set to work creating the insurance exchange. It will be easy to create an insurance exchange in which the public option could not survive.

The second concern is that we have heard nothing so far about the use of REINSURANCE in the insurance exchange. But reinsurance could offer an easy mechanism for reducing health care premiums by reducing the amount of reserve funds insurance companies should prudently hold. We encourage you to build reinsurance into the insurance exchange.

Thank you for listening to us and for your patience.