



Accessible, Affordable, Guaranteed Health Care for ALL

October 2011

TO: Members of the Illinois General Assembly

RE: Legislative Position on the establishment of a decision-making board (Governance) and financing of the new Competitive Health Care Marketplace (insurance exchange). The undersigned organizations believe that legislation this Fall Veto Session must include the following provisions.

I. Who should be making decisions - Governing Board:

- No insurance industry, brokers, and agents should be on the decision-making board.
- Legislators should not be appointed to this board.
- Four ex officio members (Department of Insurance, Healthcare and Family Service, Human Services, and Public Health) are non-voting members.
- This board must be represented by a variety of consumers, small businesses and other stakeholders, and reflect the geographic and cultural diversity of our great state. This board should contain the following 15 voting members:
 - 2 small businesses (one Chicagoland and one downstate) – one being of color
 - 3 organizations representing communities of color
 - 1 representing disability community
 - 2 health professionals and/or public health organizations
 - 1 organized labor
 - 1 women's organization
 - 2 consumer reps (Chicagoland and downstate)
 - 1 health actuary
 - 1 health economist
 - 1 rural based organization

➤ *Who appointees these individuals:*

- 1) All four legislative leaders must make recommendations of people for all the above 15 positions.
- 2) The Governor must choose at least two of the recommendations made by each of the legislative leaders.
- 3) The Governor would appoint the rest of this board.

II. Financing /Sustainability:

- We believe funding should come from several sources with the potential to grow if additional resources are needed.
- We oppose any fees being levied on consumers within the new Marketplace (exchange) or a user fee on all Illinoisans. Estimated yearly costs are between \$57 and \$89 million.
- We oppose any funding to come from General Revenue.

A Project of the Campaign for Better Health Care

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- *Source I:* There should be a progressive surtax on the insurance industry's revenues. The higher the percent of reserves that insurance companies have, the higher the surtax.

Leading health insurers have accumulated a combined 2010 surplus of \$28,353,715,566, even while individuals and families in Illinois have paid a cumulative average rate increase of 181.8% since 2005. Due to the current economic situation, hundreds of thousands of Illinoisans have lost their health insurance and those with insurance are facing double-digit rate increases. While, at the same time the insurance industry's reserves increased by more than \$2 billion in just 2010 over 2009 figures.

- *Source II:* Fee on all insurer and self-insured companies doing business in Illinois

III. Where to location the new Marketplace (exchange):

- Quasi-Governmental entity and no other entity usurping their authority.

ORGANIZATIONAL ENDORSERS