

A Healthcare Marketplace

By: Lt. Governor Casey Cagle

By now, most of us have heard the numbers before. Almost one fifth of our state's population – 1.7 million Georgians – lives without health insurance. This number has been repeated so many times that we are starting to grow numb to it. But what we cannot afford to lose sight of it. And it is important to know who makes up that 1.7 million. Seventy one percent of Georgia's uninsured are either working adults or the dependents of working adults. That's over a million uninsured people in our state working hard every day to provide for themselves and their families.

There are a myriad of reasons why working Georgians do not have health insurance. Most simply cannot afford the cost of insurance premiums, which are growing at an incredible pace. Likewise, younger consumers don't often see the value to a traditional, comprehensive health insurance plan whose price is bloated from mandated coverage that these healthy young adults may not need. And individuals and small business owners may simply not have the time to wade through a complex maze of health insurance options.

The bottom line is that if we want to reduce the growing number of uninsured in our state, we have to make health insurance more affordable for hard-working Georgians. The plan we recently proposed – called the Georgia Health Marketplace – aims to do just that, creating a market-based system that will lower the cost of insurance through direct competition. The Georgia Health Marketplace will be a clearinghouse for health insurance products, bringing together insurance providers and consumers in a streamlined, web-based system.

The idea here is to bring simplicity and transparency to what has historically been a confusing and often frustrating process. And for those hard-working Georgians for whom insurance is just too high, this plan will cut costs and create affordable healthcare options for individuals and small businesses.

Instead of being left on one's own to navigate the murky waters of the health insurance market, this website brings all the information

together in one place. Not only will those who qualify be able to sign their children up for PeachCare, individuals and small business owners will be able to purchase insurance directly from the site. With just a few clicks of a mouse, people will be able to check the availability and price of a variety of products and select the type of insurance that works best for them.

The Health Marketplace will offer two features that are completely new and beneficial for Georgia consumers. First, the health insurance policies it offers will be portable, meaning that they can be carried from job to job. Second, payments for insurance coverage provided by the exchange can be made using payroll deductions. This will allow employees of small businesses to receive the same major tax deduction that employees of large companies get when they purchase health insurance.

In addition to PeachCare and Governor Perdue's newly-proposed HIP plan for small businesses, the Georgia Health Marketplace will offer two new products that people may purchase directly from the site. The first is a Catastrophic Health Insurance plan, a high deductible plan that would cover only truly catastrophic claims. This product, which could be coupled with a Health Savings Account or some other basic coverage plan, is ideal for younger Georgians, who can purchase just the amount of coverage that they need.

The other option is a physician direct plan, which would allow hospitals and physician groups to market directly to consumers. They can offer a set array of services at a fixed annual cost. By directly linking healthcare providers with consumers, market forces and competition will drive down costs.

Right now, there are dozens of websites you can go to and compare and purchase products ranging from car insurance to hotels. It just makes common sense to bring this kind of individual empowerment to one of the most important decisions a person can make – how to protect themselves and their families.

Will the Georgia Health Marketplace be the silver bullet that single-handedly solves all of Georgia's health insurance woes? Of course not. A problem of the size and scope of our state's health insurance crisis can only be addressed through a series of steps that address all of the different reasons individuals do not have health insurance coverage. The Health Marketplace will address several of those problems, and most importantly, will do so by leveraging the free market and

individual choice instead of replacing them with government mandates and a one size fits all system.