



# Governor's Office of Economic Development

State of Utah

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## **Utah Health Exchange Launches Large Group Pilot Project**

*Select large employer groups will be eligible to participate in early test of the Exchange*

**Salt Lake City** - Today the Utah Health Exchange (UHE) announced the launch of a new pilot program designed to admit large employer groups into the Exchange earlier than originally anticipated.

When established last year, the plan was opened for early testing only to small employers, 2-50 lives. The Utah Health Exchange was not scheduled to admit large employer groups for beta testing until Fall of 2011. However, at the urging of several large group employers, Utah House Speaker David Clark included a provision in his most recent health system reform bill authorizing the Governor's Office of Economic Development's Office of Consumer Health Services to initiate a pilot project for large employer groups. The first five employer groups to be admitted in the pilot are Zions Bank, APX Alarm, Utah County government, HealthEquity, Inc., and Spanish Fork City government.

"Together, these five groups constitute yet another 'unprecedented partnership' on the path towards meaningful health system reform," said Speaker Clark.

"This demonstrates that Utah businesses are demanding more predictable and controllable health care costs and increased choice and flexibility for their employees" said Spencer Eccles, executive director of the Governor's Office of Economic Development in whose agency the health exchange is being developed.

The Utah Health Exchange is a critical component in moving towards a consumer-based system. The Exchange allows employers the opportunity to simplify benefits management by offering employees a "defined contribution", or specified amount of pretax dollars set aside for the purchase of an employee-selected health plan from a menu of various plans and prices. The Exchange also allows employees, rather than employers, to compare and select

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the health plan that works best for their individual needs and circumstances.

As more employers choose to offer health benefits on a defined contribution basis via the Exchange, increasing numbers of workers will be able to take their coverage with them from job to job. Increased portability means greater continuity of care and a reduction in the number of uninsured.

By statute, all plans offered through the Exchange must meet federal standards for employer-sponsored coverage; thus, participating employers and their workers can be confident the insurance they choose will be quality coverage from responsible carriers. Furthermore, it is expected the element of consumer choice in this market will put downward pressure on prices and while simultaneously putting upward pressure on quality. This combination constitutes the most effective means whereby consumers may maximize value in their health coverage.

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Editors Note:

Further information about the exchange can be found at: [exchange.utah.gov](http://exchange.utah.gov)

**About the Utah Governor's Office of Economic Development**

The Governor's Office of Economic Development (GOED) charter is based on Governor Gary Herbert's commitment to economic development statewide. The mandate for this office is to provide rich business resources for the creation, growth and recruitment of companies to Utah and to increase tourism and film production in the state. GOED accomplishes this mission through the administration of programs that are based around targeted industries or "economic clusters" that demonstrate the best potential for development. GOED utilizes state resources and private sector contracts to fulfill its mission.