

Mr. Chairman and Members of the Committee,

My name is Carrie Banahan. I am the Executive Director of the Office of the Kentucky Health Benefit Exchange. I, along with members of my staff, have been given the responsibility by Governor Beshear to create a state-based exchange in Kentucky.

At the outset, let me say that I am not a lawyer; an actuary; a doctor; or an economist. I am a 30-year veteran of state government, with expertise in the areas of health insurance and Medicaid.

However, because of the work conducted by our office, I believe that the Affordable Care Act will provide substantial opportunities to improve the health of the people of the Commonwealth. Kentucky ranks 44th overall in health status when compared to other states, so there is much improvement to be made.

To exacerbate an already troublingly unhealthy environment, an estimated 640,000 Kentuckians lack healthcare coverage. That translates to one in every six Kentuckians.

A multitude of state and national studies have demonstrated a direct correlation between healthcare coverage and health status. Getting the healthcare coverage that Kentuckians need is critical to improving the health of our citizens and our Commonwealth.

Individuals without insurance are more likely to skip regular checkups, go without prescription medicines and delay doctor visits until serious problems develop. As a result, they are more likely to seek treatment in an emergency room, when their problems are more advanced and treatment is more difficult and more costly.

Children without health insurance are more likely to have unmet medical needs like untreated asthma or diabetes. They are also more likely to go for long periods of time without seeing a doctor, which means they do not get regular check-ups for immunizations, preventive care, and the vision and hearing tests they need for healthy development.

In addition to the obvious health toll, being without insurance can also spell financial disaster for individuals and families, especially in a poor state. Without health insurance, patients must cover 100% of their medical costs, which can quickly add up. And just one visit to the emergency room can put a deep hole in the household budget for an individual or family. In fact, nearly two-thirds of all bankruptcies are linked to serious illness.

A critical step in making healthcare accessible to all Kentuckians was Governor Beshear's decision to establish a state-based health benefit exchange, which we are calling kynect, Kentucky's Healthcare Connection.

Education and outreach efforts for kynect are ongoing. Perhaps you have watched our television commercials, seen our print ads or heard our radio spots. Those efforts will really ramp up as we move toward open enrollment on October 1. If you have not already, I also encourage you to visit our website at kynect.ky.gov.

In addition to paid advertisements, our office is doing a considerable amount of direct consumer engagement through our kynect mobile tour. We just completed 10 days at the Kentucky State Fair, during which we handled thousands of questions from interested consumers who were eager to learn more about the Affordable Care Act and how it will benefit them.

Beginning October 1, kynect will operate as an online marketplace where individuals and families, as well as small businesses, can comparison shop for health insurance based on cost, benefits and quality. It will also allow eligible individuals and businesses to receive premium subsidies and tax credits. And through kynect, individuals will also be able to apply and have their eligibility for Medicaid and KCHIP determined.

The kynect website is one of many ways Kentuckians will also be able to select health plans – they will also be able to shop through a toll-free contact center, which opened on August 15; a mail-in application or, in person with kynectors.

Two kynectors grant awards were recently awarded to Community Action of Kentucky and the Kentuckiana Regional Planning Development Agency. Funding to support the kynectors is also being awarded to several agencies within the Cabinet that have established partnerships with local agencies. We will soon be issuing another request for proposals to ensure we have a statewide network of kynectors.

Beginning January 1, 2014, a number of significant changes in the healthcare coverage of our citizens will come to fruition. We are very excited about the possibility for dramatic improvements in Kentucky's health indicators that could result from the changing landscape of health care in the Commonwealth and our nation.

Thank you.