

States' choices setting up national healthcare experiment

Contributed by MARY SIMMONS (Special to South Florida Times)

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WASHINGTON (AP) — President Barack Obama's health care overhaul is unfolding as a national experiment with American consumers as the guinea pigs: Who will do a better job getting uninsured people covered, the states or the feds?

The nation is about evenly split between states that decided by Friday's deadline they want a say in running new insurance markets and states that are defaulting to federal control because they don't want to participate in "Obamacare." That choice was left to state governments under the law: Establish the market or Washington will.

With some exceptions, states led by Democrats opted to set up their own markets, called exchanges, and Republican-led states declined.

Only months from the official launch, exchanges are supposed to make the mind-boggling task of buying health insurance more like shopping on Amazon.com or Travelocity. Millions of people who don't have employer coverage will flock to the new markets. Middle-class consumers will be able to buy private insurance, with government help to pay the premiums in most cases. Low-income people will be steered to safety net programs such as Medicaid.

"It's an experiment between the feds and the states, and among the states themselves," said Robert Krughoff, president of Consumers' Checkbook, a nonprofit ratings group that has devised an online tool used by many federal workers to pick their health plans. Krughoff is skeptical that either the feds or the states have solved the technological challenge of making the purchase of health insurance as easy as selecting a travel-and-hotel package.

Whether or not the bugs get worked out, consumers will be able to start signing up Oct. 1 for coverage that takes effect

Jan. 1. That's also when two other major provisions of the law kick in: the mandate that almost all Americans carry health insurance, and the rule that says insurers can no longer turn away people in poor health.

Barring last-minute switches that may not be revealed until next week, 23 states plus Washington, D.C., have opted to run their own markets or partner with the Obama administration to do so.

Twenty-six states are defaulting to the feds. But in several of those, Republican governors are trying to carve out some kind of role by negotiating with federal Health and Human Services Secretary Kathleen Sebelius.

HEALTHY CHOICES

"It's healthy for the states to have various choices," said Ben Nelson, CEO of the National Association of Insurance Commissioners. "And there's no barrier to taking somebody else's ideas and making them work in your situation." A former U.S. senator from Nebraska, Nelson was one of several conservative Democrats who provided crucial votes to pass the overhaul.

States setting up their own exchanges are already taking different paths. Some will operate their markets much like major employers run their health plans, as "active purchasers" offering a limited choice of insurance carriers to drive better bargains. Others will open their markets to all insurers that meet basic standards, and let consumers decide.

Obama's Affordable Care Act remains politically divisive, but state insurance exchanges enjoy broad public support. Setting up a new market was central to former Republican presidential candidate Mitt Romney's health care overhaul as governor of Massachusetts. There, it's known as the Health Connector.

A recent AP poll found that Americans prefer to have states run the new markets by 63 percent to 32 percent. Among conservatives the margin was nearly 4-1 in favor of state control. But with some exceptions, including Idaho, Nevada and New Mexico, Republican-led states are maintaining a hands-off posture, meaning the federal government will step in.

STATES OF IRONY

"There is a sense of irony that it's the more conservative states" yielding to federal control, said Sandy Praeger, the Republican insurance commissioner in Kansas, a state declining to run its own exchange. First, she said, the law's opponents "put their money on the Supreme Court, then on the election. Now that it's a reality, we may see some movement."

Christine Ferguson, director of the Rhode Island Health Benefits Exchange, says she expects to see a big shift to state control in the next few years. "Many of the states have just run out of time for a variety of reasons," said Ferguson.

"I'd be surprised if in the longer run every state didn't want to have its own approach."

In some ways, the federal government has a head start on the states. It already operates the Medicare Plan Finder for health insurance and prescription plans that serve seniors, and the Federal Employees Health Benefits Program. Both have many of the features of the new insurance markets.

Administration officials are keeping mum about what the new federal exchange will look like, except that it will open on time and people in all 50 states will have the coverage they're entitled to by law.

Joel Ario, who oversaw planning for the health exchanges in the Obama administration, says "there's a rich dialogue going on" as to what the online shopping experience should look like. "To create a website like Amazon is a very complicated exercise," said Ario, now a consultant with Manatt Health Solutions.

*Pictured above is President Barack Obama.