

Feds take lead on health insurance exchanges

March 8 2013, by Karen Pallarito, Healthday Reporter



State marketplaces may offer more refined choices, but either vehicle should work, experts say.

(HealthDay)—More than half the states in the nation have decided against creating on their own one of the most complex yet vital parts of the massive 2010 health reform law, which was championed by President Barack Obama.

Instead, 26 [states](#) are letting the [federal government](#) take the lead in setting up [health insurance](#) exchanges, where many Americans can shop for coverage beginning with open enrollment this October. Most of the states handing off exchange duties to the federal government are led by Republican governors, including heavily populated states like Florida and Texas.

Only 17 states and the District of Columbia plan to create and run their own exchanges, and the remaining seven states will do it in partnership with the federal government, according to the Henry J. [Kaiser Family Foundation](#)'s latest count.

Colorado, one of the first states to enact [health](#) exchange legislation, expects to cover 300,000 uninsured residents through its state-run exchange, Connect for Health Colorado.

"I think we feel strongly that we have certain opportunities and challenges that we understand best, and so it does make sense for us to create a system that really is going to work for the stakeholders in Colorado," said Dede de Percin, executive director of the Colorado Consumer Health Initiative in Denver.

Some states had placed exchange-building on the back burner as they awaited last June's U.S. Supreme Court decision on the [constitutionality](#) of the [health reform](#) law, as well as the outcome of the November [presidential election](#).

Republican Gov. Paul LePage of Maine was among those who, in the wake of President Obama's reelection, decided not to implement a state exchange.

Maine has an estimated 133,000 uninsured people, a number that may swell by as many as 44,000, according to Joseph Ditre, executive director of Consumers for [Affordable Health Care](#) in Augusta.

"We are hopeful that the [federally facilitated exchange] will enable a vigorous outreach and enrollment campaign," Ditre said. Still, he added that Maine's decision to forgo a state-run exchange means the state won't play an active role in negotiating with health plans to keep rates down and improve quality—at least not immediately.

White House says exchanges will be ready by Oct. 1

State-based health insurance exchanges are one of the mainstays of the Affordable Care Act, also known as "Obamacare," for expanding access

to health insurance coverage. An estimated 25 million people are expected to gain health coverage through the exchanges by 2022, substantially slashing the ranks of the nation's 48.8 million uninsured.

The exchanges are intended to serve as a virtual "marketplace," where consumers and small businesses can access online health plan descriptions and data on quality and consumer satisfaction. All exchanges must have a toll-free hotline that people can call to get their coverage questions answered, and trained "navigators" to assist with the enrollment process.

About 18 million people with incomes up to 400 percent of the federal poverty level (\$45,960 for an individual and \$94,200 for a family of four) may qualify for premium assistance through the exchanges, according to the Families USA website.

To encourage greater state involvement in the exchanges, the federal government had proposed partnering with states to get the job done, but that option lacked broad appeal. Only four additional states—Iowa, Michigan, New Hampshire and West Virginia—applied for a partnership by the Feb. 15 deadline.

On March 7, the U.S. Department of Health and Human Services (HHS) conditionally approved those four partnerships. Earlier, HHS had conditionally approved partnerships with three states: Arkansas, Delaware and Illinois.

New Jersey is one state that nixed a state-federal partnership, opting instead for a federally run exchange. In a letter to HHS Secretary Kathleen Sebelius, [Republican Gov.](#) Chris Christie said his state was committed to complying with the Affordable Care Act, "but only in a manner that is the most efficient and effective for the residents of New Jersey and the businesses that will carry the costs of this new program."

He concluded that "federal operation of the exchange is the most responsible choice" for the state.

Despite the task ahead, the Obama administration insists that it will get the exchanges up and running by Oct. 1.

"No matter where a qualified consumer lives, he or she will have access to coverage through a marketplace," Sebelius said in a recent blog post.

State vs. federal exchange

Consumers looking to buy coverage through that marketplace may not be able to tell whether it's a state or federal effort.

"I think it will look like a state exchange to anyone. They won't necessarily know," said Sonya Schwartz, project director of State Refor(u)m, an online network for health reform implementation developed by the National Academy for State Health Policy in Washington, D.C.

There will be clear distinctions, though. Some state exchanges have adopted an "active purchaser" model, meaning they will limit consumer choices to health plans offering the best value. The federally facilitated exchanges, by contrast, will include all qualified health plans in a state.

"The other thing is, I think that consumers do probably have a better chance of getting their complaints or problems addressed in state-exchange states," Schwartz said. In states with federally facilitated exchanges, she explained, "people will still go to their state officials, and officials won't really know how they can help, necessarily."

State-run exchanges may also have a leg up when it comes to spreading the word to people who need health insurance. "Everybody's going to

have to be engaged in reaching those people and educating them," de Percin said.

More information: The [Henry J. Kaiser Family Foundation](#) has mapped out state exchange decisions.

[Health News](#) Copyright © 2013 [HealthDay](#). All rights reserved.

Citation: Feds take lead on health insurance exchanges (2013, March 8) retrieved 20 March 2024 from <https://medicalxpress.com/news/2013-03-feds-health-exchanges.html>

| |
|--|
| <p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p> |
|--|