

What an exchange would do, and why Idaho should run it

The Patient Protection and Affordable Care Act of 2010, commonly known as the health care reform law, requires health insurance exchanges in every state to be certified by January 2013 and operational by January 2014. The law also provides for federal funding to those states that elect to provide a state-run exchange. If a state does not make its deadlines or chooses not to create and operate an exchange, the federal government will operate a federal exchange in that state.

Americans remain polarized about the law, but a Kaiser Health Tracking Poll conducted in December found that there is strong



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support for exchanges among Americans regardless of party affiliation.

What are health insurance exchanges?

They are new marketplaces intended to create a more organized and competitive market for health insurance by offering a choice of plans, establishing rules

regarding availability and pricing, and providing information to help consumers better understand their options.

Essentially, exchanges are Web portals meant to make it easier for consumers to shop for, compare and enroll in health insurance plans that meet their needs.

The goal: to decrease the number of uninsured people by providing access to affordable insurance coverage.

What is the controversy?

Exchanges are expensive. For Idaho, estimates have ranged from \$20 million to as much as \$40 million to create the exchange, not including the annual cost of running it. Idaho could ex-

pect to receive \$20.3 million from the federal government in grant money to help cover development and implementation costs.

There is also tension inherent in having Idaho move ahead and seek the funding the federal government can provide under the health care reform law, while at the same time Idaho and 25 other states are asserting that the law is unconstitutional and have a challenge pending before the U.S. Supreme Court.

So what are Idaho's options?

> We can do nothing. The federal government has said it will be ready to operate exchanges for states that choose not to do so.

> We can do nothing until the constitutionality issue is determined.

This is a high-risk strategy for two reasons:

First, the Supreme Court's decision is not expected until June or July. If the law is upheld, the Idaho Legislature has only until the end of this year to develop and pass enabling legislation, and the Department of Insurance has only until the end of the year to develop the exchange to the extent that it could be certified by the federal government.

Second, even if the law is ruled unconstitutional, the requirement for the exchanges could stand if the Supreme Court determines that only some of the law's

provisions should be struck.

> We could proceed in preparing for the exchange and abandon our efforts if the health insurance provision is struck by the Supreme Court.

What's my take?

If we are going to have an exchange, it should be run by the state.

As many have pointed out, if the federal government runs the exchange, the state will have essentially no control over its structure or operation.

A state-run exchange gives us the most flexibility, and the opportunity to design and run it in a way that meets the needs of Idahoans.

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