

Idaho Reporter Online, Thursday, June 30, 2011 – by Mitch Coffman (2 pages)

## Governor explains his support of health insurance exchanges

Gov. Butch Otter is opposed to federal health care legislation commonly called Obamacare, but he supports health insurance exchanges. That puts him at odds with some state legislators in his own party, plus a number of fellow GOP governors including Florida's Rick Scott and Louisiana's Bobby Jindal.

Health insurance exchanges are a relatively new term to most citizens so there is little understanding of them compared to programs such as Social Security or Medicare. What is a health care exchange?

The basic concept of an exchange is to provide health care coverage for anyone who wants it by bringing together private health insurance companies and a government health insurance option to compete for coverage for individuals and small businesses. Among the required provisions is one mandating that pre-existing conditions cannot be excluded from coverage. The goal of an exchange, according to a working paper from the Obama administration, is that competition for coverage will bring down the cost of health care, plus smaller companies can be grouped together to receive coverage and rates similar to those available to larger companies.

Idaho and other states' support of a health insurance exchange is questioned by the Cato Institute, which describes itself as a "nonpartisan, nonprofit, tax-exempt educational foundation." It argues that when a state authorizes an exchange it helps the Obama administration "shield the law (Obamacare) from Congress, the courts and the American people" by lending credibility to the idea of public sector involvement in health care. In addition, says Cato, why not wait on health care exchanges for an expected U. S. Supreme Court decision on the constitutional challenges to Obamacare? Cato believes such a ruling will likely come in the summer of 2012. If the high court upholds the law, states would have plenty of time to craft and submit an exchange plan to Washington by the 2013 deadline. If the law is voided, states are free to handle health care issues as they please, not as mandated by the federal government.

The governor sees no contradiction in opposing Obamacare, yet favoring health care exchanges. He believes the issue is too important not to be addressed by the state, too vital for the state not to have an option crafted in Idaho. "There is a big difference," he says, between Obamacare and a state health insurance exchange. He says the Idaho exchange was crafted in Idaho to address needs as identified by Idahoans, not put together by bureaucrats in Washington. "That was one of the first things that came up when we started working on our health care reform and our health care needs in Idaho in '07. I called a bunch of folks from all aspects of the health care industry together and said, 'OK, what should health care in Idaho look like?' The whole idea of insurance exchanges, which is providing insurance packages, providing a certain level of co-pay, providing a certain level of deductible, all of those things. We've been working on that since '07. It was just co-opted into the Obamacare bill."

A criticism of public sector care programs is that they may limit patient choices in treatment and they may interfere with the physician/patient relationship. Not so with the kind of plan he supports, says the governor.

“We’ve been working on health homes, medical homes, where you establish a relationship with one doctor so they know all of your medical background for your family and everything else so that they know what to look for depending on what your father had, or your mother had, what kind of health problem you ever develop,” he says. “They know what to watch for, so they say, “Hey, you want to be careful about this. If there’s diabetes, OK watch your sugar intake, watch the kind of food that you eat,’ and those sort of things. We’ve been working on that.”

Idaho was ahead of the curve in supporting health care exchanges, says the governor, citing, for example, his support of keeping children on a family insurance plan until they were 23. “All Obamacare did is say we’re going to make it 26. So there were a lot of things that we were doing but for the most part they were all voluntary. We weren’t compelling people to do anything.”