

Health exchange in limbo

Department of Insurance seeks to spend \$333,000

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A final attempt to spend grant money allowing New Hampshire to plan a health insurance exchange as mandated by the federal health care overhaul has been held up by the state's Executive Council and is again facing opposition from the Legislature's Republican majority.

Like other states, New Hampshire was given a federal grant of up to \$1 million to create a plan for its exchange, set to take effect in 2014, that is intended to be a state-run, competitive marketplace for people to buy health insurance. But earlier this year the Legislature passed a bill barring the New Hampshire Department of Insurance from using \$666,000 approved by the five-member Executive Council for the purpose of planning the exchange. The bill sent the money back to Congress.

The Department of Insurance is now seeking to have the remaining portion of the grant, \$333,000, approved by the council to try to take a pared-down approach at planning the exchange.

The department's request was tabled last month by the all-Republican Executive Council. Prior to last week's meeting, in anticipation of the council taking the item off the table and deciding whether to approve it, House Speaker Bill O'Brien, a Republican from Mont Vernon, provided the councilors with literature from the conservative-leaning Heritage Foundation and Cato Institute opposing the exchanges.

"There is concern regarding how it might tie the hands of the state in the future," House Policy Director Greg Moore said of the exchange. The council did not end up acting on the item last week. The next scheduled meeting is Dec. 14.

Alex Feldvebel, deputy state insurance commissioner, said the federal planning grant is technically non-binding, meaning that taking the money to plan the exchange doesn't commit the state to setting it up. If New Hampshire has not created an exchange by 2013, however, the federal government will come in and set one up for the state.

"We feel as though there might be a president and a Congress in 2013 that will move to repeal (the health care reform law) so it won't be an issue," Moore said, referring to Republicans taking over both branches of the federal government in next year's election.

Moore said O'Brien may try to pass another bill when the legislative session opens in January that would send the remaining \$333,000 back to Congress if the council eventually agrees to let the state spend the money.

Feldvebel said if the health care law is not repealed, New Hampshire's decision not to act and let the federal government set up the exchange could give the state less control over regulating the program in the future.

"To a certain extent, (the federal government) would become co-regulators of health insurance in New Hampshire," he said, adding: "There would be no state control over what New Hampshire citizens are billed to pay for the operations of the exchange."

Executive Councilor Dan St. Hilaire, who moved to table the \$333,000 request last month, said he had concerns about whether new regulations would prevent the state from seeking waivers from the federal government to opt out of requirements it doesn't feel are necessary.

St. Hilaire had voted in favor of spending the \$666,000 portion of the grant earlier this year. He said he sided with the majority on the 3-2 vote "to make sure New Hampshire was able to tailor their own exchange program." Now, he said, "if the waivers aren't allowed, it's the same thing" as the federal government setting it up.

"So why are we bothering with it?" St. Hilaire said, adding that he is still waiting for clarification on his concerns.

Councilor Chris Sununu of Newfields opposed spending the larger portion of the grant and also plans to vote against the \$333,000 request. Sununu said the idea that the states will be able to set up the exchanges to their liking is "an illusion." He predicted the exchange will have "so many strings attached the state could never afford it."

"I think in the end they're going to get what they want," he said of the Obama administration.

Sununu said he wants "absolutely nothing to do with" the exchanges.

"If the federal government wants it so bad, they can come in and do it themselves," he said. "Doing it ourselves, we may have more influence, but it's more influence in a horrible program."

