

Lawmaker questions governor's authority on health insurance exchange

By [KEVIN O'HANLON / Lincoln Journal Star](#) JournalStar.com | Posted: Thursday, July 19

A state lawmaker said Thursday that a special session might be needed to give Republican Gov. Dave Heineman authority to decide whether Nebraska will establish a so-called insurance exchange under the federal health care law.

States have until Nov. 16 to say whether they will establish exchanges or let the federal government step in and run them.

Insurance Department officials told a legislative committee Thursday that Heineman can do so by executive order.

But Sen. Paul Schumacher of Columbus said the Legislature must give the governor authority to make the decision and noted the tight deadlines.

"How does the Legislature make a decision before Nov. 16?" he said.

The Legislature doesn't convene until January, which Schumacher said might give rise to a special session on the Affordable Care Act (ACA).

Schumacher was among those listening to an update by the Nebraska Department of Insurance given to the Legislature's Banking, Commerce and Insurance Committee. The department has been working to implement the act, which was a cornerstone of Democratic President Barack Obama's 2008 campaign.

Heineman has been accused in some corners of trying to thwart the ACA's implementation.

Last year, Nebraska received a \$5 million grant from the U.S. Department of Health and Human Services to help establish Affordable Insurance Exchanges -- one-stop marketplaces where consumers can choose a private health insurance plan that fits their needs.

The state-level health care exchanges, which will not be in place until 2014, are meant to help people and small businesses buy affordable private health insurance. The exchanges are meant to offer a choice of health insurance plans, establish common rules for things such as pricing and help consumers understand their options.

The federal government will establish exchanges in those states that fail to do so.

Department of Insurance Director Bruce Ramage said: "We are preparing as if we (will have) a state-based exchange."

But that puzzled Schumacher.

"When and who is going to be the decider?" he said. "Who makes this decision? Who is the policy maker here?"

The part of the federal health care law that was recently ruled unconstitutional by the U.S. Supreme Court "was totally unexpected" and has thwarted efforts by and between states to work on implementing the law, Ramage said.

While the high court upheld most of the ACA, it said the expansion of Medicaid benefits in the law was essentially a new program, thereby making it optional for states. Heineman and several other Republican governors have said they will reject the law's Medicaid expansion because they fear its costs will be unsustainable.

Medicaid is the federal-state health insurance program for the poor. It mostly covers children, mothers and disabled people. But under the ACA, 15 million uninsured low-income people -- primarily adults without children -- would get Medicaid coverage. The federal government would pay the entire cost of that for the first three years, then the federal share would drop to 90 percent.

Heineman and some governors have said they fear the federal share will further diminish.

After the Insurance Department briefing, members of several groups supporting the ACA held a press conference in the Capitol Rotunda. Those groups included the Nebraska Hospital Association; the Center For Rural Affairs; Voices For Children in Nebraska; the American Cancer Society Cancer Action Network; AARP; the Health Care Association of Nebraska; the Nebraska AIDS Project and the Center For People In Need.

Those groups say the ACA will help at least 50,000 uninsured Nebraskans get coverage.

"This is an opportunity we can't afford to pass up if we are serious about addressing the problem of the uninsured in Nebraska," said Jennifer Carter, director of the Health Care Access Program at Nebraska Appleseed. "A strong economy, job creation, and healthy communities in Nebraska all depend on a health care system that works for Nebraskans. Healthy Nebraskans provide the needed, skilled workforce to attract new businesses to the state and ensure the best learning environment for our children."

Meanwhile, Sen. Jeremy Nordquist of Omaha continued his call to make the process more open. He earlier criticized the decision to not open up Thursday's hearing to public comment. He also has called for the discussion on the implementation of health care reform to be open to the public. He earlier criticized Heineman's decision to not allow

Nebraska Medicaid Director Vivianne Chaumont to attend a health care reform planning meeting addressing implementation of the ACA.

“In just a few short months, the state has to make major decisions about the future of our health care system. It is time that the Heineman administration quit playing politics and start engaging in serious policy making,” said Nordquist.

Nebraska hospitals provide more than \$1 billion a year in health-related services that are uncompensated. A large percentage of that is charity care and bad debt, Nordquist said. That's what the Medicaid expansion addresses, he said.

Sen. Danielle Conrad of Lincoln had urged the committee to open up Thursday's hearing to public comment.

"Other than public hearings on related legislation last session I am not aware of any other opportunities the committee has provided for a truly public forum on these critical topics and hope you will realize the importance of a true public dialogue at this juncture," she said. "The voice of the public is critical to the legislative process which makes our health care and health insurance system work for our constituents.

Earlier, Cathy Lohmeier of MoveOn.org, delivered a petition to Heineman's office she said contained the signatures of more than 2,000 Nebraskans urging the implementation of the ACA. Lohmeier said she gathered the signatures online in about two weeks.

On Wednesday, representatives of three conservative groups -- Americans for Prosperity-Nebraska, the Platte Institute for Economic Research and the CATO Institute -- gathered at the Capitol to praise efforts by Heineman to resist implementing the ACA.

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