



Opinion: Health exchange brings meaningful choice to consumers

BY: CHRISTINA S. HO - NOVEMBER 18, 2012

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THE New Jersey Senate and Assembly have now passed legislation to create exchanges that will allow meaningful consumer choice of health insurance. Governor Christie faces a decision about whether to allow this effort to proceed or to block it once again.

New Jersey has long been a leader in health insurance market reform. We have experience with a children's health coverage mandate as a result of the New Jersey Health Care Reform Act of 2008.

Our experimentation in market regulation shaped the national debate on issues such as whether insurers should be permitted to deny insurance when an applicant has a health problem or preexisting condition and whether insurers may discriminate when it comes to how much they charge applicants who have preexisting conditions.

Why relinquish control now to the federal government, ceding the bulk of the market for the federal government to shape and envision?

The downsides to not establishing our own state-run health insurance exchange are numerous. Exchanges will have to coordinate extensively with state employers and state Medicaid programs. Exchanges will need to access state databases with eligibility wage and employment information.

Sharing information

Sharing information in-house will require careful administration; bringing a federal bureaucracy into the mix would needlessly add a new layer of complication and take away the state's decision-making and administration role in key areas of this new market.

Some have counseled a wait-and-see approach, but if the federal government establishes an exchange for New Jersey now, and the state belatedly changes its mind, New Jersey residents suffer.

Health reform is going to be a big transformation. New Jerseyans deserve as smooth a transition as possible, without being jerked from one bureaucracy to another

Christie raised a number of issues when vetoing the earlier version of the exchange bill in May, and these issues have now been largely addressed. The U.S. Supreme Court has spoken on the Patient Protection and Affordable Care Act's constitutionality. Governance and remuneration have been adjusted to address the governor's concerns.

Issues concerning a basic health plan will be further discussed two years from now, when more information emerges. Additional state concerns, either now or in the future, will likely be more quickly resolved if the exchange is in state, rather than federal hands.

No more excuses

With the presidential election decided and 1.3 million uninsured New Jerseyans waiting, what excuses are left? What reasons remain not to declare the state's intention to establish its own health insurance exchange?

Americans for Prosperity say that they don't want New Jersey's health care choices controlled by federal bureaucrats, but their actions reveal the opposite. They want to cow the governor into vetoing the state exchange. Without a state exchange, the federal government, by law, would have to step in.

Stripped of reason or logic, the opposition to the exchange seems to rest solely on a national agenda of partisan warfare, and a particularly vengeful style of salt-the-earth politics, sacrificing the welfare and autonomy of New Jerseyans in return for nothing but spite.

These conservative, Koch-funded groups such as the Cato Institute and Americans for Prosperity are the same ones that invented the fanciful argument that residents in states with federal exchanges would be disqualified from receiving any tax credits to be able to afford coverage. That idea and any potential lawsuit based on that theory may well prove to be idle obstruction, but resolving the question might take time.

And should the litigation eventually prove fruitless, hard-liners in Congress have vowed through legislative means to nullify the regulation providing tax credits to those in federal exchanges.

In sum, a veto of the state exchange bill would bring in federal bureaucrats to determine New Jersey's health choices — precisely the opposite of what Americans for Prosperity claims — and if that organization and Koch Industries have their way, a veto would strip New Jersey residents of tax credits to make coverage affordable.

Hostage to brinkmanship

Why subject New Jersey residents to such financial uncertainty and hold them hostage to political brinkmanship? On average, each New Jersey resident already contributes thousands more in federal revenue than we receive.

Should we be pawns of the ideologues in their plush think-tank offices in Washington who are setting us up to lose even more in federal benefits even as out tax dollars fund those same benefits for counterparts in other states?

New Jersey should lead, not be led on.

