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Christie vetoes key element of Obamacare

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Gov. Christie rejected a key provision of President Obama's health care plan on Thursday, becoming the second governor in the country to veto a bill that would have set up a state-run exchange to allow consumers to collectively shop for health insurance.

The decision was immediately panned as political by Democrats but welcomed by tea party conservatives, who had expressed alarm in recent days that the Republican governor would allow "Christiecare" in New Jersey.

The 2010 federal Patient Protection and Affordable Care Act - now called Obamacare by conservative opponents and the president himself - requires most Americans to get health coverage by 2014. State-run health-care exchanges, like the one laid out in the bill New Jersey's Democratic Legislature passed, are meant to help meet that requirement by creating a virtual marketplace for uninsured middle-income people and small businesses to buy federally subsidized health plans.

But Christie's veto message noted the "uncertainty" surrounding the Affordable Care Act, particularly because the U.S. Supreme Court is set to rule on its legality in June.

"While I appreciate the Legislature's attempt to find steady policy footing in these shifting legal sands, I am concerned that a hastily created exchange in New Jersey will impose unnecessary obligations upon the state's citizens," Christie wrote in his veto message. "Indeed, the very constitutionality of the Affordable Care Act is cloaked in uncertainty, as both the individual mandate to procure health insurance as well as the jurisdictional mandate to establish an exchange may not survive scrutiny by the Supreme Court."

Specifically, Christie said, he opposed the bill because he couldn't be assured the federal government would provide the necessary money to support the health-care subsidies. He also said the certification process for qualifying health plans would limit the number of plan participants, resulting in higher costs and fewer options. Finally, he questioned the makeup and salaries (\$50,000) of the proposed exchange's five-member, part-time board of directors.

But Assemblyman Herb Conaway (D., Burlington), a physician and one of the sponsors of the bill, said in a statement that Christie had done little more than send "a clear message to the 1.3 million uninsured New Jerseyans and the many others who are underinsured and struggle to afford their existing insurance: He doesn't care."

Conaway said the veto meant that uninsured New Jerseyans wouldn't fully benefit from federal health-care reform, and hospitals wouldn't get relief for uncompensated care.

Assemblyman Lou Greenwald (D., Camden), who has become a near-daily critic of the governor, said Christie was "more focused on winning praise from national Republican pundits than protecting New Jersey families' access to health care."

The federal health-care legislation is perhaps the most despised of Obama's domestic policies among Republicans; signing the bill posed serious political risks for a governor thought to be on the short list of potential GOP vice presidential candidates.

In recent days, the New Jersey exchange bill had become a topic du jour among conservative Christie watchers. If he didn't veto the bill, they argued, he would be responsible for creating "Christiecare."

The state chapter of Americans for Prosperity, a group affiliated with the tea party, declared "victory over Obamacare" in a news release Thursday. The group has backing from the Koch brothers, conservative financiers who have also expressed support for Christie and given him a forum to address deep-pocketed supporters.

"This bill aimed at setting up Obamacare's costly and bureaucratic health-care exchange in New Jersey would have limited choice for consumers, driven up costs, made our state less competitive, and levied massive new taxes on every New Jerseyan," said Steve Lonegan, the state director of Americans for Prosperity and a Republican primary opponent of Christie's in the 2009 gubernatorial race.

Writing in the conservative Daily Caller on Wednesday, the director of health policy studies for the libertarian Cato Institute (where Christie was honored last week), warned that it's "not an exaggeration to say that how New Jersey handles this legislation could determine whether Obamacare lives or dies. Obamacare can only work if states do the heavy lifting."

Ten states have so far enacted the exchanges through legislation and another two through executive order. A handful of legislatures have rejected the exchanges and many states, including Pennsylvania, have legislation pending, according to the National Conference of State Legislatures. New Mexico's Republican governor was the first to veto such a measure.

Any states that don't have an operating exchange by January 2014 will be obligated, under the new health-care law, to let the federal government come in and run an exchange.

New Jersey already has been awarded millions in federal funding to help it draw up an exchange. Pennsylvania also has received money, and Republican Gov. Corbett has moved ahead with planning an exchange, although the General Assembly has yet to send him enabling legislation.

In his veto message, Christie did not rule out the possibility of future legislation creating a New Jersey exchange: "I believe the better course of action of New Jersey is to continue to monitor the ever-changing landscape surrounding the implementation of the Affordable Care Act, and to refrain from imposing its mandates upon our citizens until outstanding issues are settled and the required course of action is clear."

Christie occasionally faces questions at town hall meetings about why his administration didn't join with other states in suing the federal government over the Affordable Care Act's provision mandating insurance for most people. He has said he opposes Obamacare but didn't want to spend money on lawyers if it wouldn't affect the outcome of the case.