



Missouri voters to weigh in on health insurance exchange

By Elizabeth Crisp- October 18, 2012

JEFFERSON CITY • Voters will decide next month who has the authority to create a state-based health insurance exchange in Missouri -- but that vote may have little impact on how the state moves forward in implementing provisions of the federal Affordable Care Act.

The health insurance exchange -- one of the key provisions of the much-debated federal health care law -- is intended to offer consumers a web-based, one-stop marketplace for purchasing private health insurance plans. Advocates have compared it to the services that Travelocity.com and Expedia.com offer travelers.

The federal government will create exchanges for states that don't create their own.

If approved, the Nov. 6 ballot measure will prevent Gov. Jay Nixon's administration from creating a state-based exchange without approval by the Legislature or a popular vote.

"I feel confident that the people will pass it," said Sen. Rob Schaaf, a Republican from St. Joseph who sponsored the legislation that put the issue on the ballot.

Nixon has shied away from discussing his views on whether Missouri should opt for a state-based exchange. He has said he expects the issue will be addressed when the Legislature returns in January and that he will work with lawmakers to do what's best for the state -- indicating that it's unlikely he will try to create an exchange by executive order even if voters say he can.

The state also faces a Nov. 16 deadline for submitting its plan to the federal government, making the task of creating a state-based proposal even more dubious just 10 days after the vote.

Schaaf said he pushed the measure because he wanted to give voters an opportunity to affirm that the Legislature has the authority to do so, rather than the governor.

"It seemed to me that there was some ambiguity," he said.

He said he believes Nixon, a Democrat, was trying to create an exchange here and only backed off from the plan after lawmakers “raised quite a ruckus” last year, a claim Nixon’s administration has repeatedly denied.

Nixon’s office referred a recent inquiry from the Post-Dispatch about his position to the Missouri Department of Insurance.

Missouri Department of Insurance director John Huff said only that the administration is committed to finding the “right fit for Missouri.”

“While we are aware that federal officials are seeking state feedback, we will continue to communicate with the General Assembly, consumer groups and the industry to ensure that we address this issue in the most effective way possible for the people of Missouri,” he said in a statement.

According to the Kaiser Family Foundation, a non-profit, non-partisan health policy think tank, 16 states have decided to create their own exchanges and 16 others are still studying their options. Three states, including Illinois are planning for partnership exchanges.

For some Missouri voters, the Nov. 6 ballot measure will be another opportunity to express their frustrations over the federal health care law.

Two years ago, voters overwhelmingly favored Proposition C, a mostly symbolic measure that sought to exempt Missouri from the insurance mandate in the federal law. Since then, the U.S. Supreme Court ruled that the mandate will stand.

Schaaf said he focused on the authority aspect, rather than putting the state-based vs. federal exchange issue on the ballot, because he wanted to make sure that the topic of health care exchanges would make it to a vote. He also noted that concerns could evolve over time.

“I myself feel that the issue is complicated enough that the Legislature is the one that ought to be involved,” he said. “It’s very technical and will require a lot of thought and knowledge and testimony.”

Schaaf said he sees the vote as an issue of the balance of power in Missouri, saying he thinks the decision is too big for one person to make.

“It needs to be the Legislature making this decision or at least a vote of the people,” he said.

Schaaf said his personal opinion of whether the exchange should be state-based or run by the federal government is irrelevant to the debate over the Nov. 6 vote.

One thing is clear: Barring a repeal of the Affordable Care Act, Missourians will have access to some form of health insurance exchange by January 2014.

"If the state doesn't do it, the federal government will come in and do it," said Dr. Karen Edison, director of the Center for Health Policy at the University of Missouri School of Medicine.

Even Missouri's most vocal opponents of the federal health care law have admitted that much.

Michael Hash, director of the U.S. Health and Human Services Office of Health Reform, said at a Bipartisan Policy Center forum this summer that the preference is for each state to create its own exchange because "a state-based exchange provides a state with the maximum amount of flexibility."

Still, HHS has been working with "a prime contractor" to set up the federal exchange infrastructure.

"We are obviously moving ahead on that front," he said. "We're on track with that to go live in the fall of 2013."

But the outcome of Nov. 6 elections -- specifically, whether Democrats maintain control of the U.S. Senate and to some extent whether President Barack Obama is re-elected -- is expected to have an impact on states moving forward.

Technically, states have until Nov. 16 to submit proposals to the federal government if they want to create state-based exchanges. Some health experts have speculated that deadline could be moved back because it falls so soon after the election.

"I think a lot of states are holding out, waiting on the election to see what happens," Edison said.

Missouri lawmakers initially embraced the idea of a state-based exchange. Supporters said they wanted the state to have a more active role, rather than giving the authority to the federal government.

The GOP-controlled House last year passed the "Show-Me Health Insurance Exchange" legislation with unanimous support, but the bill died in the Senate.

"I think folks who are reticent to do anything supportive of the Affordable Care Act -- many of them would also agree that it's better to do this on the state level, rather than have the federal government come in," Edison said.

As a Robert Wood Johnson Foundation's health policy fellow, she helped research health reform proposals for Congress in the late 1990s, when both chambers were under Republican control.

"This idea of having market-based health insurance exchange using private companies is something we were in favor of," she said. "I see it being a pretty bipartisan provision. It relies on private industry and utilizes competition in the private marketplace."

Edison said many of the people who are opposing state-based exchanges are doing so out of a larger protest against the federal health care law.

"They don't want to do anything to put that health reform into effect," she said.

Michael Cannon, director of health policy studies for the conservative Cato Institute, warned Missouri lawmakers during a meeting last year that going along with any provision "lends a veneer of legitimacy" to the federal health care law.

"Whatever is plaguing America's health care sector, a lack of government bureaucracies is not it," he said. "There is simply no reason for Missouri to create any kind of exchange."

Still, Republicans in other states — including Arizona, Mississippi and New Mexico — have been quietly working to create the frameworks for their exchanges, according to Kaiser's research.

At least three of the states that are creating exchanges are doing so under executive order, and most of the 16 states still studying their options are doing so through the authority of the executive branch, according to Kaiser.

Cannon told legislators that they can send a message by rejecting federal tax money for the exchange. "Any federal grants that Missouri has already received, and any additional federal funds it may receive, are adding to the nation's debt burden and bringing the United States closer to a Greek-style debt crisis," he said.

Lawmakers, so far, have heeded his call.

Missouri could turn down \$107 million in federal grants for technology upgrades because some lawmakers worry the new equipment will be used to aid the creation of an exchange. The first \$50 million installment was not appropriated through the Legislature this year. The Legislature also has blocked a \$20.8 million federal grant for upgrades to the Missouri Health Insurance Pool's IT infrastructure.