

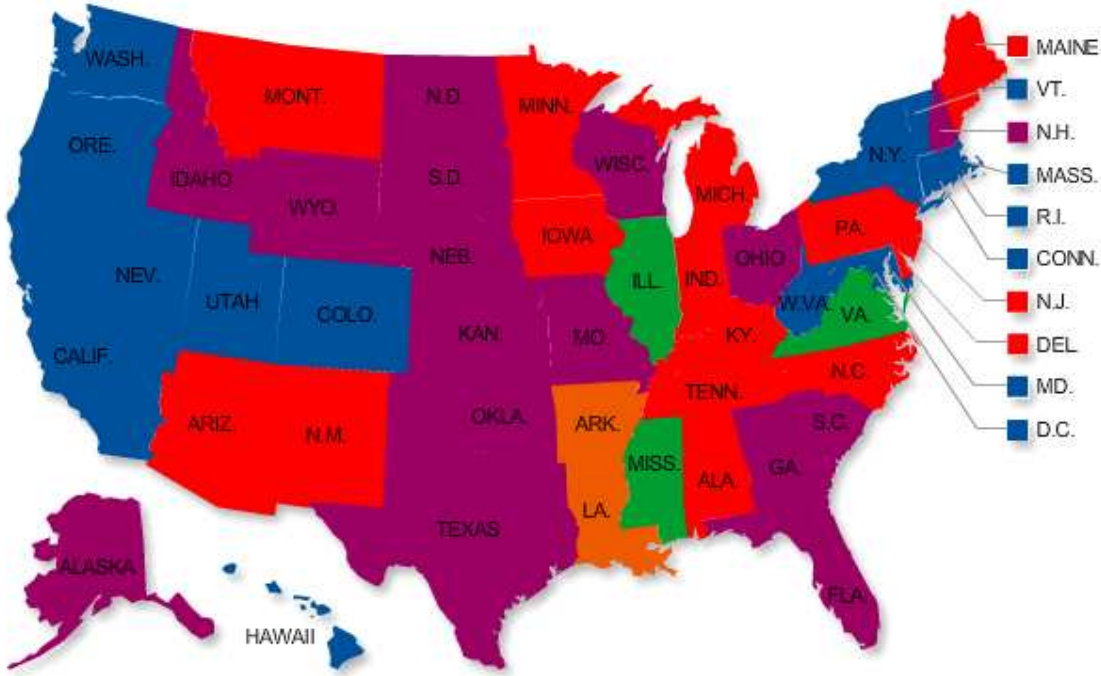
# Conservatives campaign against insurance exchanges

By Kelly Kennedy, USA TODAY  
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## Health exchange progress

States have received federal grants to create health insurance exchanges, whether they have passed laws for them or not.

**Blue:** Established exchange; **Green:** Plans to establish; **Red:** Studying options; **Purple:** No significant activity; **Orange:** Will not create



Source: Kaiser Family Foundation

**WASHINGTON** – Conservative organizations have canvassed the country in recent months to try to persuade state legislators not to pass bills to create health insurance exchanges.

"Over the last eight to 10 months, we've seen a huge change in course," said Christy Herrera, health task force director of the American Legislative Exchange Council ([ALEC](#)). "Before the deadline, states have the time to carefully deliberate. ... They shouldn't be pressured."

Without state exchanges, the federal government will be unable to implement the 2010 health care law, ALEC, the [Cato Institute](#) and other conservatives say. Exchanges are websites where consumers can compare costs and benefits of available insurance plans in the state, as well as buy insurance.

Ten states have delayed acting on exchanges because of the groups' influence, according to ALEC.

Administration officials and some policy conservatives say the theory by ALEC and the Cato Institute is misguided. The federal government is paying for the start-up exchanges, and the law gives the states the flexibility to run their own programs. The [Department of Health](#) and Human Services announced this month that 34 states have accepted grants to pay for exchanges. If states don't create exchanges, their residents can participate in a federal program.

Delays are shortsighted, said Cheryl Smith of the exchange practice of Leavitt Partners, a health care group run by former HHS secretary [Mike Leavitt](#), a Republican. "States need to set up legislation to protect themselves," she said.

Republican Alabama Rep. Greg Wren, an ALEC member and chairman of the [National Conference of State Legislatures'](#) federal health care task force, agrees. "I still think it's better to have state control," he says. He authored a bill that would create a state health exchange; the bill is delayed.

States must submit their plans by November to meet HHS deadlines for exchanges to go into effect in January 2014.

"States are implementing the health care law," HHS spokeswoman Erin Shields said. "Two-thirds of all states have received federal grant dollars to establish affordable insurance exchanges, and states have the flexibility they need to build an exchange that works for them. On Jan. 1, 2014, consumers in every state will have access to an exchange."

Many conservatives say that even if states create an exchange, the federal government will dictate how it is run, not the state.

New Hampshire's House passed a bill by Republican Rep. Andrew Manuse that would prohibit lawmakers from creating laws to enact exchanges. He said Cato and ALEC helped him draft his proposal. "Not setting up an exchange is the best way we can work toward making the law be amended or repealed," Manuse said.

Before the health care law was passed, Smith said, she was working with 22 states to create exchanges, which she called a Republican idea.

"I'm a conservative and a Republican, but I still would not be willing to bet the farm on" the idea that the law will fail if states don't create exchanges, Smith said. "When you work at a think-tank, it's really easy to come up with these really high-risk plans." No Republican alternative to the health care law has been announced.