



Arizona formally declines to set up state health insurance exchange

'The fight to contain and control the wide-ranging damage of the ObamaCare legislation is far from over ...'

BY: LINDA BENTLEY - DECEMBER 5, 2012

PHOENIX – On Nov. 28, Gov. Jan Brewer formally advised the U.S. Department of Health and Human Services (HHS) that the state of Arizona will not pursue creating a state-based health insurance exchange and will instead participate in a federally-operated exchange, as per the guidelines of the Patient Protection and Affordable Care Act (ACA), also known as ObamaCare.

Brewer said the decision came following “an extensive research and outreach process during which my team of health advisors conducted public hearings and met with HHS, patient advocates and representatives of Arizona hospitals, health providers, insurers, tribal groups and other members of the health care community.”

Stating her opposition to the ACA is “unwavering,” Brewer said she believes the legislation should be repealed and replaced with legislation that achieves its stated goals: “to improve access to quality, affordable health care in this country.”

While resigned to the fact the ACA is the law of the land, Brewer said she is also a steady advocate of local control.

However, she concluded the state of Arizona “would wield little actual authority over its “state” exchange and said, “The federal government would maintain oversight and control over virtually every aspect of our exchange, limiting our ability to meet the unique needs of Arizonans and the Arizona insurance market.”

Brewer called a state exchange “costly” and said even though the federal government has pledged to pay nearly all startup costs, states are then on the hook for operational expenses beginning in 2015, which a study conducted by Mercer indicated could cost

Arizona anywhere from \$27 million to \$40 million annually.

And, since those costs would be passed along in the form of fees and higher premiums for families and small businesses, Brewer said it would be an additional financial burden at a time when Arizonans are still struggling financially.

Last, with too much remaining unknown about how a state-based exchange would function and its ultimate cost to taxpayers and, without clear federal guidance and instruction Brewer said she could not “in good conscience commit the taxpayers of my state to this costly endeavor.”

Brewer stated, “The state of Arizona has a long history of health care innovation. Our Medicaid program, AHCCCS (Arizona Health Care Cost Containment System), has been a national model of cost-efficient care for three decades, and our pioneering pursuit of integrated health is designed to improve quality of life for Arizonans living with serious mental illness. In this proud tradition, I remain committed to working with legislators to enact state reforms that improve care and reduce costs for Arizona families, while maintaining a vibrant competitive health care marketplace.”

Upon Brewer’s announcement, Director Tom Jenney (r) said, “The Arizona chapter of Americans for Prosperity is grateful to Gov. Jan Brewer for rejecting the state-funded ObamaCare/ACA exchange and thereby protecting Arizona businesses, taxpayers and health care consumers.”

Jenney thanked the Goldwater Institute and Cato Institute for policy advice and the thousands of grassroots activists in Arizona who took action against forming a state exchange by writing e-mails, making phone calls and confronting elected officials at public meetings. Jenney said, “[M]ore than anything else, their activism won this battle.”

He said, “The fight to contain and control the wide-ranging damage of the ObamaCare legislation is far from over, and AFP-Arizona is now ready to fight ObamaCare's hugely expensive (but optional!) Medicaid expansion here in Arizona. But it's important to take the time to celebrate our victories.”
