



# Hurdles of Implementing HEALTH CARE REFORM at the State Level

BY BILL SPEIR

**IN THE UNITED STATES**, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (known collectively as the “ACA”) require state governments to make numerous decisions about health care reform implementation and what roles they will play and what roles they will leave to the federal government.

The health care reform law requires much of state policymakers. States must consider how they will implement the new health insurance requirements, how they will fund Medicaid expansion, and what role they will play in the administration of health insurance exchanges.

To help them with the numerous decisions they must make, many states have established health care reform committees to examine the federal law and provide guidance for the state on what is best for the state and its residents. The chart below identifies the states that have established committees. Some states have more than one committee because the governor and the legislature each established their own committee.

**These committees will need to:**

- Conduct a comprehensive review of the state’s current health care delivery system
- Identify strengths and weaknesses

- Develop a timeline for implementation
- Assess what resources are needed
- Involve stakeholders in the process
- Recommend implementing legislation
- Perform strategic planning on the operational, financial, and technical requirements to sustain a health benefits exchange.

The health insurance exchanges are getting a lot of attention since the states need to have made progress towards establishing an exchange by January 1, 2013 or the federal government will administer the exchange in their state. The first thing the state decision-makers must decide is whether they should establish their own exchange, or defer to the federal government.

If state decision-makers decide to administer their own exchange, they need to consider how to develop a health insurance exchange that meets the needs of their state’s residents, while meeting the requirements of the ACA. Core issues to consider in designing the health insurance exchange include how will the health insur-

ance exchange be governed; how will the health insurance exchange coordinate with the state's Medicaid program; and what role will the health insurance exchange play in the selection of health plans for individuals?

These committees and other state decision-makers face hurdles in implementing health care reform. These hurdles include lack of guidance from the federal government, funding, and politics.

### Lack of Federal Guidance

According to those attempting to set up state health insurance exchanges, the online process will resemble applying for a mortgage more than purchasing a plane ticket. This is because there are many questions surrounding the exchanges that are not answered by the federal health care reform law and therefore the development of regulations will be vital for final implementation.

The U.S. Department of Health and Human Services (HHS) is expected to release the state exchange regulations in the late spring. Many of the details on how exchanges are governed and operated will be up to the states. The forthcoming

regulations, however, will spell out the requirements state exchanges must meet in order to be acceptable under the health care reform law. Until these regulations are released, the state committees advising state decision-makers on health insurance exchange implementation cannot be sure what the state health insurance exchange must do to meet federal requirements.

### Funding


Forty-eight states have accepted at least \$1 million each from the federal government to help plan for the insurance exchanges. States applied to use those grants for a number of important planning activities including research to understand their insurance markets, efforts to obtain the legislative authority to create exchanges, and steps to establishing the governing structures of exchanges.

The states need funds to improve their technology infrastructure in order to implement health care reform. To meet this need, the federal government is providing "Early Innovator" grants totaling \$241 million to six states and a multi-state consortium led by the University of Massachusetts Medical School, for development of the technol-

ogy infrastructure needed to operate the exchanges. These "Early Innovator" states are expected to develop health insurance exchange IT models, building universally essential components that can be adopted and tailored by other states.

### Politics

It is difficult to implement a new policy if powerful decision-makers refuse to adopt the policy. Implementation of the ACA is no exception. Certain states are stopping implementation efforts because of the actions of certain elected officials.

Governors in Alaska, Georgia, Florida, Idaho, Montana, and Texas have refused to implement certain provisions of the ACA. Former Minnesota Governor Tim Pawlenty signed an Executive Order that prohibited all executive departments and state agency participation in federal health care reform unless required by law or directed by the governor's office. As a result, Minnesota was not awarded any grants for implementing the exchange through the U.S. Department of Health and Human Services. 

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## STATE COMMITTEES

**Alaska** Health Care Commission

**California** Health Care Reform Task Force

**Colorado** Interagency Health Reform Implementation Board

**Connecticut** Health Care Reform Cabinet

**Delaware** Health Care Commission

**District of Columbia** Health Care Reform Implementation Committee

**Idaho** Health Care Task Force

**Illinois** Health Care Reform Implementation Council

**Iowa** Legislative Health Care Coverage Commission

**Maine** Health Reform Implementation Steering Committee

**Maine** Joint Select Committee on Health Reform Opportunities and Implementation

**Maryland** Health Care Reform Coordinating Council

**Michigan** Health Insurance Reform Coordinating Council

**Minnesota** Health Care Reform Task Force

**Mississippi** Health Insurance Exchanges Study Committee

**Montana** Interim Committee within the Children, Families and Health and Human Services Interim Committee

**Nevada** Health Care Reform Policy Planning Group

**New Hampshire** Commission on Health Care Cost Containment

**New Mexico** Health Care Reform Leadership Team, in August 2010 became the Office of Health Care Reform

**New Mexico** Health Reform Working Group

**New York** Cabinet to Implement Federal Health Care Reform

**North Carolina** Health Reform: Overall Advisory Committee

**North Dakota** Interim Industry, Business, and Labor Committee

**North Dakota** Legislative Panel

**Ohio** Health Care Reform Stakeholder Forum was formed as part of the Ohio Health Care Coverage and Quality Council

**Oregon** Health Policy Board

**Pennsylvania** Commonwealth Health Care Reform Implementation Committee and the Health Care Reform Advisory Committee

**Rhode Island** Special Senate Commission

**Rhode Island** Healthcare Reform Commission

**Rhode Island** Joint Legislative Committee on Health Care Oversight

**Texas** House Select Committee on Federal Legislation

**Vermont** Governor's Health Care Cabinet

**Virginia** Health Care Reform Initiative

**Washington** Health Care Cabinet

**Washington** Joint Select Committee on Health Care Reform

**West Virginia** Governor's Office of Health Enhancement and Lifestyle Planning

**Wisconsin** Office of Health Care Reform

**Wisconsin** Special Committee on Health Care Reform Implementation

**Wyoming** State Leadership Team