

Talking Points on the Wyden/Brown “Empowering States to Innovate Act” S3858

There are many positive provisions in Patient Protection and Affordable Care Act. The exchange, however, is simply one mechanism to achieve the goals of providing comprehensive and affordable insurance to the uninsured. There are other equally valid approaches. **Because states have often been incubators of new ideas and innovators of public policy, Section 1332 should be amended (as in the Wyden/Brown Empowering States to Innovate Act), allowing waivers for state innovation as early as 2014.** Placing all bets on setting up an exchange system prohibits states from becoming laboratories for experimentation. One size may not fit all when it comes to health care solutions.

Responses to Common Concerns

Concern: Removing 2017 will enable some states to get away with completely opting out of national health care reform.

Answer: Removing the 2017 date simply allows states to apply for waivers before 2014 (when the exchanges must be up and running). To receive a waiver, states would still have to comply with the overall goals of the law and present plans for approval that would be as comprehensive and cover as many people as would have been covered under the exchange approach.

In fact, there are four conditions that have to be met for a waiver to be approved. (Sec. 1332 (b))

No state could receive a waiver under the current administration and get away with doing nothing. In fact, allowing states to apply for waivers prior to 2014 will ensure that these conditions are met.

Concern: If 2017 is removed, states will lose funding that they otherwise would have received had they set up an exchange.

Answer: The law specifically states that when a waiver is approved, the state will receive all the funding that would have been available to the state should it have created an exchange. (Sec. 1332 (a)(3))

Concern: It is important for states to set up exchanges now since in 2013 we may be faced with an administration hostile to health care reform.

Answer: Forcing states to wait three years before requesting a waiver makes no sense and is a waste of time, resources, and funds. If a state has a different approach that can comprehensively cover as many people, as estimated by the CBO, and is deficit neutral, it should be allowed to do so.

If states are given the option of developing alternatives now, they will have a greater vested interest in their approach and will likely not want to see it unraveled no matter who is elected president in 2012.