

## Arizona behind other states in creating insurance exchanges

by **Angela Gonzales**

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Arizona is in a precarious position when it comes to the new U.S. health care laws.

While many other states are moving forward to establish insurance exchanges — centralized marketplaces where individuals and small businesses can buy health coverage as part of the Affordable Care Act — Arizona appears to be behind the curve.

That's because Arizona is one of several states challenging the constitutionality of health care reform, alleging that the measure's individual mandate exceeds congressional authority.

"There's a concern among some legislators and some groups that we — meaning Arizona — should not do anything to implement the exchange or anything connected to the Affordable Care Act," said **Don Hughes**, health care policy adviser to Gov. **Jan Brewer**. "Clearly, this is going to get to the U.S. Supreme Court."

Under the law, each state has the option to create its own exchange or allow the federal government to run it.

"For the most part, I think our thought is that if we have to have an exchange, it's better for Arizona to design and operate that exchange," Hughes said.

The Arizona Legislature rejected two bills that would have paved the way for an exchange. Other states already have passed such legislation.

States have substantial implementation responsibilities over the next three years, **Caroline Pearson**, senior manager of **Avalere Health** LLC, said during a recent national webinar.

The U.S. Department of Health and Human Services released its Proposed Exchange Rule in July and is expected to release its final rule by the end of the year.

States have until Jan. 1, 2013, to have their individual exchange plans approved or to receive conditional approval. Use of the exchanges would begin in 2014.

**JW Wight**, vice president of Digital Insurance in Scottsdale, said Arizona is doing the best it can.

"Without having final guidelines set in place, it's nearly impossible for a state to create the right

platform," he said. "The insurance market is changing. The sooner we adapt to it, the better off everybody is going to be."

**Henry GrosJean**, owner of **GrosJean & Associates**, a small-business insurance broker in Glendale, said he doesn't see how health care will be affordable in an exchange because insurers will be required to cover all medical conditions.

"Does that mean you would only buy health insurance when you need it?" he said. "If people think it's going to be affordable, they're dreaming."

So far, Arizona's efforts toward developing an exchange have been limited to research on building an information technology infrastructure and plan management functions, Hughes said.

"We are doing our due diligence," he said. "The governor has not made a final decision about moving forward."

He said Arizona is reaching out to other states to see what they are doing.

"We're all sharing information," Hughes said. "Every state is progressing at different speeds."

Arizona received a \$1 million planning grant from the federal government. The deadline to apply for another \$1 million grant to establish an exchange is Sept. 30.