



For Immediate Release

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MISSISSIPPI HEALTH INSURANCE EXCHANGE

OP-ED FROM

COMMISSIONER OF INSURANCE MIKE CHANEY

There has been much attention paid recently to the establishment of a health insurance exchange in Mississippi as required under the terms of the Patient Protection and Affordable Care Act.

I have publically stated my opposition to PPACA on many occasions and I hope it is repealed. However, it is the law of the land.

The bottom line is simply this - if we do not implement and operate a state-based health insurance exchange by January 1, 2014 the federal government will implement and operate one for us and we will forever give the keys to health insurance in our state to Washington.

I am against turning Mississippi's health care over to Washington. The Mississippi Insurance Department gets numerous calls daily from consumers seeking help with their health insurance plans. Would all these people be better off having to call some federal bureaucrat when they need help? If we turn the operation of our exchange over to Washington, we would have zero control over what is done within the borders of our own state.

If a state defaults to the federal government to operate an exchange, that state will cede the regulation of a large portion of its health insurance market to the federal government. Consumers could have fewer choices, higher costs in most cases, less benefits and a hard time getting approval for medical services.

Several governors have banded together and decided not to implement state-based exchanges – opting to let Washington operate them instead. They think Washington will not have the ability to operate or fund exchanges. To the contrary, what they are actually doing is helping Washington expedite the takeover of the state health insurance industry. The result is that the states will have no voice and the path will be cleared for the implementation of a single-payer system in this country.

The feds will implement a “one-size fits all” exchange in the state. Washington will decide, among other things, what plans are sold on the exchange, what rates are charged, who may purchase through the exchange, provider networks for the exchange and what role agents will have in the exchange.

Mississippi is one of very few states that is actually in a position to have an exchange up and operating by January 1, 2014. We have a legal mechanism in place and therefore legislative action is not required. We also have a working administrative infrastructure in place.

In short, because we had the foresight to know that Mississippi needed an exchange even before PPACA was passed and upheld by the Supreme Court, Mississippi has a plan. Very few states can say the same.

It is important to note that no state funds are being used to create Mississippi’s exchange. Our exchange is 100% federally grant funded and will be until it becomes self-sustaining in 2015. For states with a federally facilitated partnership or exchange, it is possible that the federal government may charge those states for the services that it provides in operating the exchange.

I have heard and studied the argument that Mississippi should not create a state-based exchange because the PPACA employer responsibility penalties will only attach in states that operate a state-based exchange. This argument is flawed in that it is based solely on speculation and unproven legal theories. The IRS has refuted this claim and has affirmatively stated that subsidies will be available through every state’s exchange regardless of whether it is run by the state or the federal government.

As Insurance Commissioner it is my job to make decisions based on facts and what is known and not based on speculation or what I would like to see happen. What is known for certain is that the PPACA employer responsibility penalties will become effective in Mississippi and every other state in 2014, regardless of who operates that state's exchange.

We believe that pursuant to Mississippi law, the Commissioner of Insurance is the appropriate authority to decide whether the state should create a state-based insurance exchange or cede authority to a federally facilitated exchange. The commissioner is an independently elected official in Mississippi and is the chief officer of the Mississippi Department of Insurance. Pursuant to the Mississippi Code the commissioner is charged with the execution of all laws relative to all insurance and insurance companies, corporations, associations, or orders. This language clearly brings the insurance exchange and all products sold therein within the jurisdiction of the Department of Insurance.

I still believe that a free-market health insurance exchange is good public policy. Exchanges have received broad support across party lines in Mississippi and have been supported by political parties and policy research centers across the state and nation.

I hold to this belief and am doing everything I can to ensure that Mississippi's exchange is a free-market, consumer-oriented exchange

I feel it is important to set partisan politics aside and make practical policy decisions that are in the best interests of all Mississippians. This is what I was elected to do.